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OFFICIAL REPORT
(HANSARD)

Wednesday, December 11, 2013

The Honourable NOËL A. KINSELLA
Speaker

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Debates Services: D'Arcy McPherson, National Press Building, Room 906, Tel. 613-995-5756
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THE SENATE

Wednesday, December 11, 2013

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

Prayers.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Hamid Ghassemi-Shall and his spouse, Antonella Mega. They are guests of the Honourable Senator Frum.

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

Hon. Senators: Hear, hear!

SENATORS' STATEMENTS

MR. HAMID GHASSEMI-SHALL

FORMER IRANIAN PRISONER

Hon. Linda Frum: Honourable senators, I rise in this chamber with joy in my heart to note that today Mr. Hamid Ghassemi-Shall is a free man and is here visiting us in the Senate of Canada along with his beloved spouse Antonella Mega.

Honorable senators will recall the efforts made by this honorable chamber on behalf of Hamid Ghassemi-Shall, a Canadian, a Torontonion, originally from Iran, who, until a couple months ago, was sentenced to death in Teheran's Evin prison.

In a motion adopted unanimously by this chamber in June of 2012, we urged clemency for Hamid Ghassemi-Shall. We joined ranks across party lines to denounce the Iranian regime's systemic abuse of the human rights of its citizens and others. We each gave speeches on behalf of 34 unlawfully incarcerated prisoners, including Hamid Ghassemi-Shall.

Our Speaker, the Honourable Noël Kinsella, presented a bound copy of those speeches to the then-Iranian chargé d'affaires, Kambiz Sheikh-Hassani, in the spring of 2012. This was an intervention we can all be very proud of.

To this day, and despite new talk of moderation that has arrived with the election of President Rouhani, the Iranian theocracy brooks no dissent. Those who try to speak freely,

practice their independent religion or who are wrongfully convicted, as happened to Mr. Ghassemi-Shall, endure torture to elicit information or confessions, and then trial by a so-called "judiciary" with virtually no protection of the right to a fair process.

According to the Iran Human Rights Documentation Centre, over 600 people have been executed in Iran in 2013. Three hundred of those have been sent to their deaths after President Rouhani assumed office in August. Since Rouhani's inauguration, the number of prisoners being sent to the gallows has accelerated, not decreased.

It was during a visit to his mother in 2008 that Hamid Ghassemi-Shall was caught up in an Orwellian nightmare while trying to help his brother Alborz, who had been arrested.

Both were detained, tortured and sentenced to death. Tragically, his brother and his best friend, Alborz, died in prison from maltreatment, or probably more likely was murdered.

When Ottawa learned of Hamid's death sentence, Prime Minister Harper warned the regime that, "The government of Iran should know that the whole world will be watching, and they will cast judgment if terrible and inappropriate things are done in this case."

Minister Baird and former Ministers Cannon and Ablonczy unequivocally condemned Mr. Ghassemi-Shall's illegitimate incarceration and pleaded for clemency at the highest levels. Ministers also spoke personally with Hamid's spouse here in Canada to provide support and assurances that our government would not give up until he was back home with us in Canada.

Honourable senators, after 64 long months of tremendous personal suffering, Hamid Ghassemi-Shall was finally released by Iranian authorities, just as arbitrarily as he was once imprisoned. Throughout those terrible years, his loyal and determined spouse, Antonella, devoted herself to securing his release. She never gave up hope, and she is a model to us all.

Honorable senators, even as we rejoice Hamid's return to his loved ones and his chosen country, we must never forget the death of his beloved brother Alborz and Canadian citizen Zahra Kazemi, nor the many innocent people, like Saeed Malekpour, who continue to languish in Iran's notorious prison system. To this, our government urges Iran to comply immediately with its international legal and human rights obligations.

Honourable senators, I know I speak for all of us when I say that the Senate of Canada will never give up its vigilant surveillance of human rights abuses in Iran, and we remain in solidarity with all those who continue to suffer there.

HIS HIGHNESS PRINCE KARIM AGA KHAN

CONGRATULATIONS ON SEVENTY-SEVENTH BIRTHDAY

Hon. Mobina S. B. Jaffer: Honourable senators, this Friday, December 13, Ismaili Muslims residing in 25 countries around the world will gather to celebrate the seventy-seventh birthday of His Highness Prince Karim Aga Khan.

As a proud Muslim woman, I stand in this chamber to speak about the great work his Highness the Aga Khan, an honorary citizen of Canada, has done both here and abroad for the well-being of humanity. His Highness has given many gifts to humanity. Today, however, I would like to speak about five gifts that His Highness has given to Canadians that have forever changed Canada.

The first and perhaps most important gift is the gift of an education for boys and girls alike. The Aga Khan and his grandfather before him always emphasized the importance of obtaining a quality education. That is why the Aga Khan has invested in more than 200 primary and secondary schools in Pakistan, India, Bangladesh, Kenya, Kyrgyz Republic, Uganda, Tanzania and Tajikistan. I received a world-class education in Kampala, Uganda, at the Aga Khan nursery, primary and secondary schools.

Thanks to the Aga Khan's belief in the importance of educating girls, in fact many girls can attend Aga Khan schools and receive a quality education.

• (1340)

Second, he arranged with Prime Minister Trudeau for thousands of Ugandan refugees to seek asylum in Canada. He found us and many other Ismailis the best country in the world to live in.

Third, he encouraged Shia Ismaili Muslims to always call Canada our permanent home. As a result, with enthusiasm and confidence we are doing our part to contribute meaningfully to Canadian society. In his words, "We should never become a demotivated, marginalized minority and instead demonstrate the will to rebuild our future."

The fourth gift that the Aga Khan has given to all Canadians is that he has highlighted to us the strengths of our pluralistic society, referring to our shared conviction that the progress of civilization depends on our ability to understand, embrace and energize the power of human diversity, describing Canada as one of the most respected pluralist societies in today's heavily fractured world.

The Aga Khan has partnered with our government to establish the new Global Centre for Pluralism so that other societies may benefit from this pluralist model.

As the Royal Architectural Institute of Canada recently noted in awarding His Highness its 2013 gold medal, His Highness the Aga Khan's visionary architectural patronage has resulted in new

Canadian landmarks, such as the Ismaili Centre, Burnaby; the Delegation of the Ismaili Imam, Ottawa; the Ismaili Centre, Aga Khan Museum and park currently being developed in Toronto; and an Islamic garden to be built within the University of Alberta's Devonian Botanic Garden outside Edmonton.

Since ascending to the position of Imam of the Shia Ismaili Muslims, His Highness has dedicated his life to improving the quality of life not only for Ismailis but also for some of the most vulnerable populations throughout the world. Here in Canada, we share these values and aspirations and are happy to extend warm birthday wishes and Khushiali Mubarak to His Highness the Aga Khan.

[Translation]

CANADIAN MUSEUMS ASSOCIATION

Hon. Maria Chaput: Honourable senators, on Tuesday, November 26, 2013, I met with representatives of the Canadian Museums Association (CMA) in my office.

Canada's 2,600 public museums and galleries are a key component of our social infrastructure. Some 60 million people, including over 7 million students, visit them every year. They support local economies, provide jobs and rally communities.

Museums, art galleries and heritage institutions will have an important role to play during the commemoration of the 150th anniversary of Confederation in 2017. The October 16, 2013, Speech from the Throne included an overview of initiatives being planned to commemorate historic events.

Honourable senators, the CMA wants to be involved in celebrating the 150th anniversary of Confederation. It eagerly awaits the federal government's announcement about financial support for related projects that will be part of the celebrations.

The CMA wants to participate in the 150th anniversary programs and activities. After all, the work these museums do enhances our knowledge, understanding and appreciation of the history, identity and collective imagination of many generations of Canadians. These museums and galleries are an essential and obvious part of commemorating the 150th anniversary of Confederation.

VETERANS

MENTAL HEALTH SERVICES

Hon. Andrée Champagne: Dear colleagues, over the past few weeks, we, like all Canadians from one end of this great land to the other, have been saddened by and worried about what is happening to our veterans, about what happened to many of them when they returned home after completing missions abroad.

I want to believe our government when it says that it is doing everything in its power and more to ensure that all appropriate care is available to those who need it. We have to take care of our

veterans. But soldiers need to recognize their need for special help; they must not wait until it is too late to seek help.

Allow me to tell you a story that proves that our veterans do not always get the care they need. Almost two years ago, on a beautiful afternoon in late spring, I went to the funeral of one of our young soldiers who made the ultimate sacrifice. The ceremony was held about 20 kilometres from where I live. Family, friends and other people who, like me, had come to pay one last tribute to the fallen soldier and to do our small part to comfort the family were gathered in front of Beloeil's church.

As is customary, there was an honour guard composed of two rows of soldiers who had come to say a last goodbye to their comrade. As the casket draped with our flag was being carried towards the vehicle that would take the soldier to his final resting place, a loud command was shouted by one of the officers standing a few metres from us. At that very moment, the soldiers in the first row came to attention and saluted. With the second command, the soldiers in the second row raised their guns and fired a salute. At the sound of the guns, a young soldier in the first row immediately threw himself to the ground, protecting his head with his trembling arms, his face contorting with anguish. Naturally, the officers ran to him, helped him get up and led him to a vehicle, which I hope took him somewhere quiet.

When we returned home, my husband and I asked ourselves the same questions that you would have asked yourselves. How was it possible that the Canadian Armed Forces' doctors, psychiatrists and therapists believed that this young soldier was capable of returning to civilian life? His reaction showed us that quite the opposite was true.

To our veterans, I say thank you and best wishes for the future. To those whose duty it is to look after the physical and mental health of our returning soldiers, I say this: I beg of you, please do everything humanly possible and before you close the file.

Lastly, if you happen to have the time, please spend a few hours with the spouses and mothers of those who have made the ultimate sacrifice.

[English]

ROUTINE PROCEEDINGS

NATIONAL DEFENCE

FIGHTER JET DOCUMENTS TABLED

Hon. Yonah Martin (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the following documents: the Next Generation Fighter Capability Annual Update; the Canadian Industrial Participation in the F-35 Joint Strike Fighter Program;

[Senator Champagne]

and the final report of the Independent Review: 2013 Department of National Defence Annual Update on Next Generation Fighter Capability Life Cycle Costs.

[Translation]

ECONOMIC ACTION PLAN 2013 BILL, NO. 2

FOURTH REPORT OF NATIONAL FINANCE COMMITTEE PRESENTED

Hon. Joseph A. Day, Chair of the Standing Senate Committee on National Finance, presented the following report:

Wednesday, December 11, 2013

The Standing Senate Committee on National Finance has the honour to present its

FOURTH REPORT

Your committee, to which was referred Bill C-4, A Second Act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures, has, in obedience to its order of reference of December 10, 2013, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

JOSEPH A. DAY
Chair

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

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

• (1350)

L'ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

BUREAU MEETING AND ORDINARY SESSION, JULY 8-12, 2012—REPORT TABLED

Hon. Andrée Champagne: Honourable senators, I have the honour to table, in both official languages, the report of the delegation of the Canadian Branch of the Assemblée parlementaire de la Francophonie (APF) respecting its participation at the bureau meeting and the XXXVIIIth session of the Assemblée parlementaire de la Francophonie (APF), held in Brussels, Belgium, from July 8 to 12, 2012.

[English]

INTER-PARLIAMENTARY UNION

ASSEMBLY AND RELATED MEETINGS,
OCTOBER 4-9, 2013—REPORT TABLED

Hon. Salma Ataullahjan: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Inter-Parliamentary Union respecting its participation at the One-hundred and Twenty-ninth Inter-Parliamentary Urban Assembly and Related Meetings, held in Geneva, Switzerland, from October 4 to 9, 2013.

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

MEETING OF THE STANDING COMMITTEE OF
PARLIAMENTARIANS OF THE ARCTIC
REGION, JUNE 3-6, 2013—
REPORT TABLED

Hon. Percy E. Downe: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-Europe Parliamentary Association respecting its participation at the Meeting of the Standing Committee of Parliamentarians of the Arctic Region, held in Longyearbyen and Ny-Ålesund, Svalbard, Norway, from June 3 to 6, 2013.

MEETING OF THE STANDING COMMITTEE OF
PARLIAMENTARIANS OF THE ARCTIC
REGION, SEPTEMBER 18-20, 2013—
REPORT TABLED

Hon. Percy E. Downe: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-Europe Parliamentary Association respecting its participation at the Meeting of the Standing Committee of Parliamentarians of the Arctic Region, held in Murmansk, Russia, from September 18 to 20, 2013.

Colleagues, no senators participated in these meetings.

NATIONAL SECURITY AND DEFENCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO
STUDY STATUS OF CANADA'S INTERNATIONAL
SECURITY AND DEFENCE RELATIONS

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

That the Senate Standing Committee on National Security and Defence be authorized to examine and report on the status of Canada's international security and defence relations, including but not limited to, relations with the United States, NATO, and NORAD; and

That the Committee report to the Senate no later than December 31, 2014, and that it retain all powers necessary to publicize its findings until 90 days after the tabling of the final report.

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO
STUDY POLICIES, PRACTICES, AND COLLABORATIVE
EFFORTS OF CANADA BORDER SERVICES AGENCY
PERTAINING TO ADMISSIBILITY TO CANADA

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

That the Senate Standing Committee on National Security and Defence be authorized to examine and report on the policies, practices, and collaborative efforts of Canada Border Services Agency in determining admissibility to Canada and removal of inadmissible individuals; and

That the Committee report to the Senate no later than December 31, 2014, and that it retain all powers necessary to publicize its findings until 90 days after the tabling of the final report.

QUESTION PERIOD

EMPLOYMENT AND SOCIAL DEVELOPMENT

CHILD POVERTY

Hon. Art Eggleton: Honourable senators, my question is for the Leader of the Government in the Senate.

According to the organization Campaign 2000, which recently released a report on child poverty, 967,000 Canadians live in poverty — that's 1 in 7 children. UNICEF, the United Nations Children's Fund, also put out a report not too long ago in which they rank 35 developed countries in the world. Canada was way down in twenty-fourth place in terms of tackling the issues of child poverty.

On top of that, Food Banks Canada issued a report this year that indicated food bank usage in this country is up, with 900,000 people depending on food banks and 38 per cent of them are children.

We all remember the great story in 1989 when the House of Commons decided we should eliminate child poverty by the year 2000. Well, the problem was they decided on that but they didn't have a plan; we still don't have a plan and child poverty is as bad, if not worse, than it's ever been before.

Now, the main recommendation put forward by Campaign 2000 was that we increase the National Child Benefit. They say that is a measure that has come some distance in dealing with child poverty, but there's so much more to be done that we need to increase the supplement — the supplement that is particularly geared for low-income families with children living in poverty.

Will the government do that? Will the government increase the National Child Benefit plan to help reduce the numbers that exist at present with respect to child poverty?

[Translation]

Hon. Claude Carignan (Leader of the Government): Honourable senators, as you know, we enhanced the National Child Benefit and Child Tax Benefit. We also established the Universal Child Care Benefit, which provides \$100 per month for each child under the age of six and has helped pull approximately 24,000 families and 55,000 children out of the low-income tax bracket.

The child tax credit, which is available for each child under 18, provides additional money for over three million children and ensures that 180,000 low-income Canadians do not have to pay taxes and can allocate their money to other essentials.

This is therefore an important aspect of our policy with regard to families, particularly with regard to reducing child poverty. These measures are also part of our plan for economic growth, which is designed to reduce poverty and improve long-term prosperity for all Canadians, among other things.

As you know, Canada has created over a million net new jobs since the depths of the global recession in July 2009. Nearly 90 per cent of these jobs are full-time, which consequently reduces poverty and enhances the disposable income of families.

[English]

Senator Eggleton: Well, okay, those programs no doubt have helped, but have they helped very much? I don't think so, because these statistics we're now seeing from UNICEF, Campaign 2000 and the food banks are more recent statistics. So you're talking about the past, but I want to talk about the future now because you're still not solving the problem.

In this country there are 967,000 children living in poverty. How disgusting and how disgraceful is that for a prosperous country? You say the economy is good and that we're creating jobs, et cetera. How can we allow this disgrace to continue to happen in our country? What are you going to do in terms of the way forward in trying to eliminate child poverty? You need to do more in the National Child Benefit than what you've been doing. You can't put piddling amounts into programs and then take all the credit for all these programs when you're not solving the problem. Are you going to solve the problem or not?

Some Hon. Senators: Hear, hear.

[Senator Eggleton]

[Translation]

Senator Carignan: I understand why the honourable senator does not want to talk about the past, given the Liberal government's poor track record on this issue. However, we are going to continue to create wealth and jobs and to enhance families' disposable income.

Our government increased the income of families in the two lowest tax brackets so that they can earn more money without paying taxes. A typical Canadian family now pays \$3,200 less in tax under our government. We will continue to work for families, to create jobs and to enhance the disposable income of families, including by cutting taxes.

[English]

Senator Eggleton: You're not telling us what you're going to do to end child poverty. That was a very lame answer. I wish I could write the notes that you read from; I could probably do a better job.

Let me ask you also about one other aspect of this, and that has to do with Aboriginal children.

• (1400)

The same report found that four in ten are living in poverty, and the Auditor General found that there was less financial support provided for child welfare services to Aboriginal children than to non-Aboriginal children. There's an inequity there, and yet there's a considerable responsibility for this inequity that the federal government has.

Will the government commit to increasing child welfare supports for Aboriginal children to at least match the level of non-Aboriginal children? That should be a no-brainer.

[Translation]

Senator Carignan: Senator, as you know, we will continue to help the First Nations. Our government is focused on what matters to Canadians: jobs, economic growth and long-term prosperity, and that also applies to the First Nations.

We have presented specific measures for Aboriginal families. For example, we have protected family homes; established matrimonial rights on reserves; supported over 400 projects last year, in order to make drinking water safer; helped build 1,750 new homes a year and renovated more than 3,000 others; helped young people acquire skills; improved school infrastructure; improved services for families and children; and improved the financial transparency of communities.

Our government has a strategy to improve living conditions and to promote economic development in the First Nations, which benefits the entire First Nations family unit and also the children.

[English]

TRANSPORT

CANADA POST—ELIMINATION OF HOME DELIVERY

Hon. Jim Munson: Thank you, Mr. Speaker. I have a letter to the government — I had a “letter” in my head. This is not a letter, but it’s kind of ironic that I said “letter,” I guess. It’s a question to the Leader of the Government and it’s about the lack of delivery of letters that will happen.

We just heard — I don’t know if everybody else has heard in the Senate; this can’t be true — that Canada Post is waving goodbye to postal service. Canada Post plans to phase out home delivery over the next five years. Tell us this isn’t so.

Senator Tkachuk: That’s right; same as me, now. I haven’t got postal delivery for 10 years. Who am I subsidizing?

Senator D. Smith: Do you live in the bush?

Senator Tkachuk: No.

[Translation]

Hon. Claude Carignan (Leader of the Government): Honourable senators, Canadians are not using the mail much these days. Since demand has changed, postal traffic has decreased by nearly 25 per cent since 2008 and continues to decrease.

Since 1981, Canada Post’s mandate has required it to be financially independent. We are obviously very concerned about the fact that the corporation has posted considerable losses. Canada Post’s plan will enable it to become more financially secure and to take Canadians’ choices into account. Canada Post’s decisions are consistent with the changes being made to postal services around the world, in response to the demands of the modern world.

[English]

Senator Munson: You may talk about “around the world,” but I’m sure that in the United States of America, to eliminate home delivery —

Senator Tkachuk: I got your Christmas card by email.

Senator Munson: Thanks very much, Senator Tkachuk. Keep on smiling, Senator Tkachuk.

I want to assure this gentleman, Senator Tkachuk — who keeps interrupting me as I try to ask this question — that Canadians in two years from now will remember who cut Canada Post, Charlie Brown.

In any case, Canada Post says we’re talking about real jobs. We’re talking about 6,000 to 8,000 positions that will be eliminated, gone, finished; no home delivery. Once again, it’s

always about the money, but this is about the delivery of goods and letters by a national organization to people who live in this country — people who rely on their EI cheques, on their welfare cheques, and so on; people who live in remote communities. It may be easy for us to receive a letter from time to time in a big city, but how could your government be so cruel to cut all these jobs and to cut home delivery for people who need it?

Some Hon. Senators: Hear, hear!

Senator Tkachuk: People in the bush paid for city folk.

[Translation]

Senator Carignan: Senator Munson, I want to let you know that I got your email wishing me happy holidays. I received it at 12:27 p.m. Thank you.

I would also like to say that, according to Canada Post, the average age of its current employees is 48. The corporation expects nearly 15,000 employees to retire or leave the company over the next five years. This is more than enough to allow for the reduction of between 6,000 and 8,000 positions, mainly through attrition.

Canada Post’s action plan clearly states that positions will be eliminated through attrition and, consequently, families will not be negatively affected, as you suggest.

[English]

Senator Munson: Just one further supplementary. You might have noticed in that particular email that I sent you — as Senator Tkachuk keeps on laughing at Canadians over the elimination of Canada Post — and I can also send you a card across the way, that I was on the ice playing hockey, which proves that I can skate, but you’re not skating very well today, sir.

Senator Tkachuk: That’s pretty funny. Merry Christmas to you, too!

[Translation]

Hon. Marie-P. Charette-Poulin: Honourable senators, my question is for the Leader of the Government in the Senate. Could you summarize the plan to reduce services offered by Canada Post?

Senator Carignan: I think it is more of a restructuring plan than a plan to reduce services. Minister Raitt made the following statement today, in response to Canada Post’s five-point action plan:

In today’s digital age, Canadians are sending less mail than ever. According to Canada Post, a typical Canadian household buys only one to two dozen stamps per year.

That means an average of two stamps a month.

She continued:

Due to the lack of demand, mail volumes have dropped almost 25 per cent per address since 2008 and continue to fall. This is leading to a steep decline in revenues for Canada Post. Since 1981, Canada Post has had a mandate to operate on a self-sustaining financial basis.

The Government of Canada supports Canada Post in its efforts to fulfil its mandate of operating on a self-sustaining financial basis in order to protect taxpayers, while modernizing its business and aligning postal services with the choices of Canadians.

Minister Raitt then said:

I look forward to seeing progress as Canada Post rolls out its plan for an efficient, modern postal service that protects taxpayers and is equipped to meet Canadians' needs now and in the future.

Therefore, this is not about reducing services, but about having an efficient and modern postal service, one that protects taxpayers and is designed to meet the needs of Canadians today.

Senator Charette-Poulin: I did not hear the answer to my question, Senator Carignan. What exactly is the plan?

Senator Carignan: Canada Post was very clear in its press releases. Today, it issued a press release that I imagine you will find in the media or on the Canada Post website.

To summarize, the action plan consists of five major initiatives including the reorganization of community mail boxes, a new approach to pricing for Lettermail effective March 31, 2014, expanding convenience through postal franchises, streamlining operations, and addressing the cost of labour through attrition, among other things.

• (1410)

Senator Charette-Poulin: I would like to come back to Senator Munson's remarks regarding service to the public and direct service to those who need it. Statistics Canada has confirmed that the percentage of aging Canadians is increasing every year. Aging — and some of us here are beginning to experience this — brings with it a number of problems, including reduced mobility. The preferred strategy in all provinces in Canada for dealing with this situation is home care. How can this government reconcile our aging population, the need for home care and what Canada Post is doing?

Senator Carignan: Senator, it is my understanding that two-thirds of Canadians already receive their mail in community mailboxes or through another service, and not through home

delivery. Does that mean that two-thirds of Canadians are not receiving the services you just mentioned? The answer is no. They are getting the services, like the majority of Canadians. If two-thirds of Canadians who do not have home delivery are getting the services you just mentioned, I do not see why the situation would be any different for the other third, when they get their mail in a community mailbox, at a post office or from a new point of service.

[English]

PRIVY COUNCIL OFFICE

GOVERNMENT ADVERTISING

Hon. David P. Smith: My question is for Senator Carignan. Senator, yesterday, in response to a question from Senator Downe regarding the sale of the residence of our ambassador in Rome, you stated that the government:

Shows respect for Canadian taxpayers by spending their money wisely.

Meanwhile, during the period since Stephen Harper became Prime Minister, the government has spent \$538.6 million of taxpayers' money on advertising, with an estimated additional \$121 million over the next year, for a total of close to \$660 million. There is no accountability and no vetting of the ads. This is all spelled out in a thorough article in *The Toronto Star*, in which they're questioning it.

Some Hon. Senators: Oh, oh!

Senator D. Smith: These ads were quite partisan on behalf of the Conservative Party but paid for by Canadian taxpayers. How is that showing respect for Canadian taxpayers' money?

[Translation]

Hon. Claude Carignan (Leader of the Government): Senator, I would remind you that we are still looking for the \$40 million lost in the sponsorship scandal. That money was certainly not used to serve Canadians. Apparently, it went straight into the trash bin or, more likely, into the pockets of Liberal friends.

As you know, the government is responsible for informing the Canadian public about the important programs and services available to them. Advertising is an essential way to provide information on important issues, such as temporary stimulus measures, tax credits or public health concerns.

Our government treats taxpayers' money with the utmost respect, Mr. Speaker, and we require that government operations use as little taxpayer money as possible. The budget deficit is \$6.9 billion lower than forecast in the 2013 budget. We are committed

[Senator Carignan]

to balancing the budget. Our government will continue to take action to increase accountability and transparency and to get value for taxpayers' money.

If you have any idea where the \$40 million went, we would love to hear about it.

[English]

Senator D. Smith: You keep raising that. I'm not standing here and defending that because I don't know the answer, and I'm an honest person. The auditor is looking for \$3.1 billion, which is many times that.

Some Hon. Senators: How much?

Senator D. Smith: For \$3.1 billion.

You were talking about \$40 million. Divide 40 into \$3.1 billion.

On this advertising, where is the accountability? If you're going to do ads — I don't even know if you need them — you don't want a flagrant misuse of taxpayers' hard-earned money for partisan purposes. The government says it wants accountability and transparency. Will the government support the establishment of an advertising commission that would provide the desperately needed accountability and supervision of spending? The Ontario government has one. It's not a new idea, and it has worked quite well. Will the federal government do the right thing and follow suit and establish a watchdog?

[Translation]

Senator Carignan: Senator, I want to correct your allegation about the missing \$3 billion. I want to remind you that the money was allocated between 2001 and 2009 when the Liberals were in power. If they had established a good system to track this money, it might have been easier to figure it out. Nevertheless, we still did the work. This money was used to do things like combat terrorism, to promote public safety after the September 11 attacks. The reconciliation the government did with 35 departments explains the \$3.1 billion difference identified by the Auditor General. The report provides the information requested by the Auditor General. A full report was produced regarding the use of this money, and, as the Auditor General said, no money was missing or misspent.

That is a far cry from the \$40 million in the sponsorship scandal, which we are still looking for.

[English]

Senator D. Smith: On these ads, *The Globe and Mail*, two days ago, in a lengthy article by Barry McKenna, talks about an ad where a woman opens a cellphone bill, her eyes widen and you hear:

It's time to talk about what's best for Canadians.

The story goes on and it says:

The problem is that the website, the ads and the policy are an empty storefront. The federal government's wireless policy is so far made up largely of rhetoric and bluster.

It concludes by saying:

Canadian taxpayers might well ask why they are footing the bill for advertising, whose main goal is to portray the Conservative government as a friend of the consumer.

The truth is that these ads are basically Conservative ads in disguise but paid for by Canadian taxpayers, and that's not fair.

[Translation]

Senator Carignan: As I explained, it is a question of transparency. We want to ensure that Canadians know about the services, refunds and credits they are entitled to. It is quite appropriate, in connection with the Economic Action Plan, to ensure that Canadians know about the programs available to them so that they can fully benefit from them.

Hon. Pierrette Ringuette: Senator Carignan, I find it very interesting that you are talking about transparency and knowing about programs in relation to inappropriate and unjustifiable advertising spending, especially given that your government has spent millions of dollars to advertise a training program that does not even exist. How can you talk about transparency and justify advertising when the program does not even exist?

Senator Carignan: Senator Ringuette, we will continue to ensure that the government spends taxpayers' money responsibly and informs the public about important programs and services that are available to them.

• (1420)

As I said, advertising is an essential means of informing Canadians about important issues, such as temporary stimulus measures, tax credits and public health issues. I know you do not like to hear that things are going well and that Canada leads the G7 countries or has created a million jobs. I know that as the Liberal opposition, you do not want to hear this good news, but this is the reality, this is what our government has done.

I hope that during the holiday season you will be proud to share the good news with your families.

Senator Ringuette: We will not be able to share the good news with Canada Post employees or with Canada Post customers, either.

You should be careful, Senator Carignan, because that non-answer you continue giving to our questions precisely reflects the non-answer the provincial governments gave with regard to your job training program, which is still non-existent to this day. You are spending millions of dollars on advertising. Why? Because you did not consult with the provinces before you went ahead with

such a program. Now look at where we are: the provinces have not been able to provide any training since April, because they do not have the money to do so.

Instead of spending money on advertising for a program that does not exist, why not spend it on training programs to ensure that our young people have access to jobs with a reasonable income that will allow them to make a living?

Senator Carignan: I would not comment on the validity of your ideas, but I find it interesting to hear the proposals made by your side, especially as the Liberal leader, Mr. Trudeau, openly admits that he has no idea how to manage the economy.

One of the greatest obstacles to sustained economic growth in Canada is the mismatch of skills, which has led to jobs without workers and workers without jobs. Also, contrary to what you said, Minister Kenney recently met with his provincial and territorial colleagues to discuss major labour market issues and to act swiftly to implement the Canada Job Grant. This discussion is ongoing.

The opposition is not taking into account the widespread support for the Canada Job Grant from a number of stakeholders who say that existing programs are not working well and need an overhaul. Organizations including the Canadian Federation of Independent Business, Canadian Manufacturers & Exporters, the Association of Canadian Community Colleges, the Canadian Construction Association and Engineers Canada have made it clear that existing programs are not enough and have acknowledged that this new program is both important and good. I think it is something we can be proud of.

CANADIAN HERITAGE

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION— CELLULAR TELEPHONE SERVICES

Hon. Dennis Dawson: Please excuse me, Mr. Speaker, but I heard someone say, “Bring back Marjory!” I do not know if that came from our side or the other.

I would like to ask the Leader of the Government in the Senate a question. Leader, you are spending tens of millions of dollars attacking a Canadian industry, the cellular telephone industry. Each side of this chamber has a critic for this portfolio who has doubts about the cellular telephone industry. Both our side and yours have tabled reports stating that improvements should be made.

The government sold \$4.3 billion worth of broadband to that Canadian industry. It reinvested barely \$200 million and used the remaining billions to pay down the deficit.

Why is the government attacking a Canadian industry, one that employs hundreds of thousands of people, by launching an ad campaign at the expense of Canadian industries, a campaign that will end up helping international, American and European industries? That is my question for the Leader of the Government.

[Senator Ringuette]

Hon. Claude Carignan (Leader of the Government): Senator, I would suggest that you reread the Speech from the Throne, especially the section on our plan to make consumers a priority. Once you do, you will have one more piece of good news to share with your family over Christmas dinner.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

FINANCE—CANADA REVENUE AGENCY— REVENUE SAVINGS

Hon. Yonah Martin (Deputy Leader of the Government) tabled the answer to Question No. 11 on the Order Paper by Senator Downe.

FINANCE—CANADA REVENUE AGENCY— LAWYERS EMPLOYED BY THE AGENCY

Hon. Yonah Martin (Deputy Leader of the Government) tabled the answer to Question No. 12 on the Order Paper by Senator Downe.

[English]

ORDERS OF THE DAY

MUSEUMS ACT

BILL TO AMEND—THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Eaton, seconded by the Honourable Senator Ataullahjan, for the third reading of Bill C-7, An Act to amend the Museums Act in order to establish the Canadian Museum of History and to make consequential amendments to other Acts.

Hon. Joseph A. Day: Honourable senators, I wanted to go on the record with a few words and comments in relation to Bill C-7.

Honourable senators will know that Bill C-7 is directed towards changing the name of the Canadian Museum of Civilization to the “Canadian Museum of History.”

The bill goes further than that, honourable senators. It’s not only a name change. A name change is one thing, and you’ve heard Senator Eggleton suggest an alternative name but the bill goes further than that in changing the mandate. It’s in relation to changing the mandate that I have some unease, and I just wanted to go on record.

I'm not certain that I have done enough background research on this matter to have a definitive position. I've heard both sides of the argument as to whether this legislation is needed or desirable, and they're both strong. Honourable senators, let me tell you what I've learned.

One of the first points that I wanted to make is why such haste in relation to this matter? I see where the bill received second reading. We literally had second reading speeches completed one half hour before the committee met to consider the matter, and then the next day the bill was done at clause-by-clause, and now it's back here again.

Now, this is an initiative that the Government of Canada announced approximately one year ago. But if you look at the progress of the bill, first reading was given in November 2012, about a year ago; second reading, not until May 2013; referred to committee in June 2013; and received third reading on November 6, 2013. The House of Commons had a year to think about the issues involved here, and now we're trying to deal with this bill in a few days.

If everybody was of the same point of view on this legislation, I wouldn't be concerned about that haste. If the House of Commons had done an extensive amount of research and listened to the various points of view, that's one thing. But if this bill slowly moved along and the debate really didn't have a chance to develop, then we, as parliamentarians, may not know what the issues are.

I have a great deal of respect for Victor Rabinovitch, who was the chief executive officer of the museum for approximately 11 years. He is very concerned about this piece of legislation and believes it's not necessary, nor is it desirable.

• (1430)

I have an equally great deal of respect for Mark O'Neill, who is the current chief executive officer. In fact, when this legislation came up and I was contacted by a number of citizens, I went over to the Canadian Museum of Civilization and I met with Mark O'Neill to discuss the legislation. He explained to me that they are moving ahead; there are six different committees for six different time periods that they're trying to work on. And he's excited about this \$25-million project.

He worked under Victor Rabinovitch for a good number of years. So, right away, we have two CEOs whose points of view are not shared; in fact, they are opposite one another. And I think that, as parliamentarians, before we pass this legislation, should have a good sense of which one of these two points of view is the one we should follow.

Now, the mandate, honourable senators, is more than a name change. The mandate seems to be changed to try and make — and this is my own interpretation — to try and make this museum of Canadian history more of a practical chronology of what has happened here in Canada.

Dr. Granatstein is quite excited about that. He is a well-known historian. He is quite excited about it because he likes that chronological development of Canadian history. One of the

arguments is that we haven't done anything for 20 years now; there hasn't been any sort of a new extension at the Canadian Museum of Civilization.

But maybe we were trying to do two different things here. The Canadian Museum of Civilization wasn't intended to be a museum of history. There are, as Senator Joyal has pointed out, many nations of the world that are in the process of creating — or have recently created — museums of history for their nations. That was promised back in Prime Minister Trudeau's time.

The Canadian Museum of Civilization was to be a wonderful centrepiece, and indeed it is. As Senator Joyal pointed out, many people have visited it. It's obviously a popular spot. The architecture is copyrightable; it's so distinctive in its features that it stands out. But it's not a museum of history. It was intended to be another museum of history. That never proceeded.

There was another purpose that is being touted for this change in mandate, and that is to show the relationship of the Europeans and other settlers that came here with the native peoples. That was promised in another museum during Mr. Trudeau's time as prime minister, and that particular museum never proceeded, either. So there are two other promises and two other plans that were to complement the Canadian Museum of Civilization that never happened.

Now what we're seeing, I'm afraid, honourable senators, is an attempt to achieve one of those promises that wasn't proceeded with 20 or 30 years ago — to achieve that by converting something that has been extremely popular in its own right, and that is the Canadian Museum of Civilization. Is that desirable? That's really what we should talk about.

There have been suggestions that there may be the opportunity for more political interference with this new mandate. I've heard from Mr. O'Neill and others that that just can't happen with the legislation as it exists. But I also read the transcript of the Canadian Association of University Teachers, members of which appeared before the committee, and they are concerned that there could be such an opportunity. It's been pointed out in various articles the attempts at changing the advertising and the promotion with respect to the War of 1812 or 1814, and the Privy Council Office's interference with respect to the work that was being done there and trying to change, in effect, Laura Secord into Little Red Riding Hood, because that would be much better promotion. And that's one of the points that was made by some of the witnesses at committee.

So there are current-day examples of interference with respect to the curator's attempt at running the museum. That concern is being expressed by a good number of witnesses, including Victor Rabinovitch, the former CEO, as I pointed out. That concerns me. I would like to have the opportunity to get to the bottom of that.

I know that when the Canadian Museum of Civilization was under construction, Douglas Cardinal, who was the architect, pointed out that there was a difficulty because the government changed at the time this was being constructed. It was begun under Pierre Trudeau and continued under Mr. Mulroney. And Cardinal felt that the whole project was going to fall apart at that

time, because the new government didn't share the vision of the previous government that Mr. Cardinal had developed with them. He credits Joe Clark, who would then have been the Minister of Foreign Affairs in the Mulroney government, for bringing this back together and helping to get that completed.

Now, Cardinal would have been a very good person to have before the committee to explain, because he knows what the vision was for this building. He knows there was going to be another Aboriginal building on Victoria Island — a peace and healing centre, it was to be called. He knows that they didn't proceed with those, and he's still anxious that they are proceeded with.

But, unfortunately — or fortunately for some, I suppose — Mr. Cardinal has been hired by one of the contractors to do work on the new Canadian Museum of History, so he would not be available due to conflict of interest to talk to us any longer about this.

Senator Moore: Of course.

Senator Day: That is kind of an unfortunate change of events that has resulted in this just not allowing us to get to the bottom of this rather major issue.

So what we have is a wonderfully successful Canadian Museum of Civilization that appears to be getting converted into something that was promised previously — something that Canada should have — but do we really want to do that? Do we want to take away what we have to achieve something that we'd like to have? That really seems to be the issue.

I get the sense from talking to some who are supporting this particular project that the \$25 million that has been pledged by the current government — and there are many who have said that is not nearly enough to achieve this new vision — but the \$25 million — and it's not open-ended; it's "\$25 million; do the job with that." I get the sense that, as Senator Joyal has pointed out, any museum requires refurbishment, updates and rearrangements. And Senator Eaton has pointed that out, and I've read her comments in that regard.

I have the sense that there are a lot of people who are lukewarm on this project, because they said, "The only way we're going to get any money for museums is to go along with this particular matter and get that \$25 million." I don't know whether \$25 million is sufficient to convert the Museum of Civilization to a museum of history. There have been comments both ways on that.

• (1440)

Honourable senators, I'm not leading to a conclusion on this, and I'm sorry for that, because I feel that we have not had the opportunity to properly debate and look into this matter to the extent that we can answer those questions.

The Hon. the Speaker *pro tempore*: Senator Day, will you accept questions? I think Senator Eaton has a question for you.

Senator Day: Certainly.

Hon. Nicole Eaton: Thank you very much for your thoughts and your intervention. You brought up Mr. Cardinal, who was the architect, and I wondered if you realized that on October 17, 2012, he was quoted as saying:

I love the fact that the museum keeps evolving and growing, and people still feel that it's a national monument that can expand and serve all of Canada.

He is complimentary of the new way of referring to the museum.

I am also wondering if you have thoughts on the definition. I was very careful to look up the definitions of "history" and "civilization," and history really is the linear story of civilizations. I'm sorry, but I don't quite understand why you and Senator Eggleton are so upset.

The Hon. the Speaker *pro tempore*: I will seek the authority to give Senator Day more time to give the answers. Five minutes?

Hon. Senators: Agreed.

Senator Day: I didn't look up definitions outside of the act. I did look at the act and the change of wording, and I looked at an analysis of that by others. I tried to reflect that in my comments, Senator Eaton.

I've read quite a bit about what Douglas Cardinal has had to say. I know that he is disappointed that the three different rooms in the current plan now, if we go ahead with this — the Canada room, another display room and a third one — are going to disappear into one. The third one, after having heard the questions today, is one that maybe we should think about reviving. It's the Canadian Postal Museum of postal workers and postal service in Canada. It is perhaps a little bit unfortunate that we're doing away with that museum at this time. That is one of the display areas that will disappear under this current plan.

I think maybe you're overstating the case — at least from my point of view — when you say Senator Eggleton and I are "so upset" about this. I'm concerned. I'd like to do a good job on this piece of legislation like any other, and I just feel that there are too many loose ends, too many unanswered questions for us to go ahead and vote on this bill.

Hon. Percy E. Downe: I wonder if Senator Day would take another question.

Senator Day: Certainly.

Senator Downe: I noticed the key point of your remarks was what's the rush? The House of Commons had time to study this bill. It speaks to the mandate of the Senate — sober second thought. Senator McCoy talked about the amendments we've made to bills since 2000 — 217 amendments, 203 of which were accepted by the House of Commons in the last number of years. We improve legislation. When we're forced to rush it, we don't serve Canadians well.

[Senator Day]

Senator Day, you recall the New Veterans Charter, which was decided in haste in the House of Commons. The Prime Minister, the Leader of the Opposition and the leaders of the two other parties were coming back from a ceremony in Europe and decided in the airplane that this was the best thing to do. Everybody had the best of intentions, wanting to improve benefits for veterans and their families.

The House of Commons had one minute of debate and had no committee hearings. They moved first, second and third reading and sent it to the Senate. Unfortunately in the Senate, it wasn't our finest hour. We insisted on one committee meeting, where we had a number of witnesses, and then we passed it within an hour or two.

Now we're spending years trying to clean up that mess. We have veterans on the street complaining "this was overlooked and this was done wrong" — all because the House of Commons did not do their job, which they don't do on a regular basis. We know that because of the amendments we pass. But for the Senate, in my opinion, it wasn't our finest hour.

Why are we rushing this bill? What is the problem with waiting for a longer period of time, addressing some of the concerns you raised today, hearing from more Canadians, proposing suggestions, if needed, to the House of Commons and getting it done right so all Canadians will be pleased, not only with the expenditure of funds, but with the final institution we end up with?

Senator Day: Thank you, Senator Downe, for your question. I'll answer that first with a confession.

I was in this chamber when the New Veterans Charter went through. I supported its quick passage because of the pressures that I sensed from the other chamber and because I was fairly new in this chamber at that time and didn't quite appreciate the role to the extent that I do now. That's probably why I'm speaking out on this bill as well. It is because of the experience we get from being here and having seen things, especially if you spend any time on the Finance Committee and see how many times this legislation comes back for correction because we're rushing it through in omnibus budget bills that have everything in them.

I have no idea why this bill is being rushed. I know that the department has started to move on this. I know that the six committees have been created. Even before we approve it, they're already moving on this, so they're anticipating passage. Senator Eaton would probably be in a better position to tell us about that. Have they already started committing — Mr. Cardinal has been hired. All of those things have happened even before the legislation has passed.

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

Hon. Senators: Question.

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

Some Hon. Senators: No.

Some Hon. Senators: Agreed.

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

Some Hon. Senators: On division.

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

APPROPRIATION BILL NO. 4, 2013-14

SECOND READING

Hon. Larry W. Smith moved second reading of Bill C-19, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2014. He said: Honourable senators, the bill before you today, Appropriation Bill No. 4, 2013-14, provides for the release of supply for Supplementary Estimates (B) 2013-14 and now seeks Parliament's approval to spend \$5.41 billion in voted expenditures. These expenditures were provided for within the planned spending set out by the Minister of Finance in his March 2013 budget.

Supplementary Estimates (B), 2013-14, were tabled in the Senate on November 7, 2013, and referred to the Standing Senate Committee on National Finance. These are the second supplementary estimates for the fiscal year that ends on March 31, 2014. The first, Supplementary Estimates (A), was approved in June 2013.

[Translation]

The Supplementary Estimates (B) 2013-2014 include \$5.42 billion in budgetary expenditures, consisting of \$5.41 billion in voted appropriations and \$5.5 million in statutory expenditures.

• (1450)

[English]

The \$5.41 billion in voted appropriations requires approval of Parliament that includes major budgetary items such as \$955 million for pay list requirements; funding for allocations to eligible departments and agencies for the payment of accumulated severance payments, Treasury Board Secretariat; \$689 million for increased funding for the Disaster Financial Assistance Arrangements contribution program, Public Safety and Emergency Preparedness; \$514.3 million for the implementation of the Federal Court's approved settlement of the *Manuge* class action lawsuit concerning the Pension Act offset provision contained in the Canadian Forces Service Income Security Insurance Plan; \$472.2 million for the continuation of the implementation of the Justice At Last: Specific Claims Action

Plan, Budget 2013, Indian Affairs and Northern Development; \$400 million to support the ongoing implementation of the Canada First Defence Strategy; \$285.5 million to support First Nations and Inuit health programs and services; \$275 million of additional requirements for the operating budget carry forward, Treasury Board Secretariat; \$164.7 million for the definition phase of the Arctic offshore patrol ships implementation and infrastructure projects; \$132.2 million to meet the government's commitments to the Gas Tax Fund to support environmentally sustainable municipal infrastructure projects that contribute to cleaner air, cleaner water and reduce greenhouse gas emissions; \$120 million to allow for a quick response to major international disasters and crises; \$97.9 million to address capital requirements for VIA Rail Canada; \$94.1 million for compensation adjustments and transfers to departments and agencies for salary adjustments; \$90 million for humanitarian assistance in response to the Syrian crisis; \$85.8 million for the Global Peace and Security Fund and Stabilization and Reconstruction Task Force; and \$61 million for the out-of-court settlements, Indian Affairs and Northern Development.

[Translation]

The Supplementary Estimates also include an increase of \$5.5 million in net budgetary statutory spending previously authorized by Parliament. Adjustments to projected statutory spending are provided for information purposes only.

[English]

Appropriation Bill No. 4, 2013-14, seeks Parliament's approval to spend a total of \$5.41 billion in voted expenditures.

Honourable senators, should you require additional information, I would be pleased to try to provide it. Then, again, I could refer to my honourable chair Senator Day, who has done an excellent job, and our steering committee superstar, Senator JoAnne Buth.

Hon. Joseph A. Day: Honourable senators, that sounded like a lot of money that Senator Smith was reading out there and, in fact, it is: \$5.41 billion is what you're going to be asked to vote on in relation to Bill C-19. Bill C-19 is an appropriation bill. It's sometimes referred to as supply. If passed by Parliament, it will give the executive and cabinet money to run the government for a period of time.

This is based on supplementary estimates. It's important for us to try to tie all of this together and put our arms around it. At page 4 of the Order Paper, under Item No. 1, Reports of Committees, there's a report of the Finance Committee's study of Supplementary Estimates (B). That report helps us to understand all of the items that appear in Bill C-19.

In my comments, I will not confuse but instead talk about one or the other because they are together. When we come to adopt the report on Supplementary Estimates (B), I can be brief because I will have discussed in large part the issues that appear.

What happens when supplementary estimates come before us? The supplementary estimates document is fairly thick and it comes to the Senate chamber. In the Senate, we refer that

document to the Standing Senate Committee on National Finance. National Finance then studies the Supplementary Estimates (B) to determine why the government is asking for \$5.41 billion and why it was not asked for at the front end of the year when we were doing planning for the year. It is because we have the Main Estimates, which come out in March, that predict what the government will spend for the year. In June, we have Supplementary Estimates (A); in the fall, Supplementary Estimates (B); and, in all likelihood, Supplementary Estimates (C) in January or February next year. That will close out the fiscal year and the request from the government for appropriation or supply.

Here we are in the cycle, in the system, with Supplementary Estimates (B). At the back of Bill C-19, the first two pages are pretty straightforward paragraphs and are in every appropriation bill. Then, there is the schedule. In fact, there are two schedules attached to this bill. Schedule 1 was attached to the Supplementary Estimates (B). Attached to Supplementary Estimates (B), you will find the schedule that's seen at the back of Bill C-19. We compare the schedule to make sure that what we were studying and what we understand to be the government's request are what they are asking for in this supply bill.

I use the terms "supply" and "appropriation" interchangeably, because I think that is the practice. In fact, it is called an appropriation bill, which gives supply to the government; and that's how the terms are interchanged.

There's also a Schedule 2 attached to this bill. There is a difference between Schedule 1 and Schedule 2, both of which we studied as part of the supplementary estimates. Schedule 2 is an appropriation for certain selected departments for two years. All the rest, by far the majority, are in appropriations for one year. If the government department doesn't spend the money in that one-year appropriation, then it goes back to general revenue and the department has to ask for it again if they think they would need it for the next year. Certain departments, such as Canada Border Services Agency and Parks Canada, are given a two-year appropriation.

During our discussions we talked about the issue of lapsing. Senator Gerstein will know a lot about that as he raised the issue of departments that are given money not spending it and wanting to put it elsewhere or to bring it forward to the next year.

Honourable senators will recall that one such issue came up recently. The government predicted a deficit of \$26 billion. Right up until the end of the year, they were predicting that. Then public accounts came around, and we were told that the departments, all of the departments together, spent \$7 billion less than what the government had predicted.

• (1500)

We're saying we have to have better information, as parliamentarians, to vote for this. We have to have better information on just what you intend to spend because, if you're out \$7 billion on \$20 billion, then we don't have any confidence that next year you're not going to be \$7 billion over.

[Senator Smith]

That causes a lot of concern, so we had suggested that maybe there should be more two-year appropriations. Maybe there should be more departments that have two years within which to exercise the money that we vote them, as opposed to just one year. That's one of the issues that has come out of our discussions, honourable senators.

There is one other area that I should mention in terms of money that the government needs to perform or function. There are statutory expenditures as well as the voted supply type expenditures. In fact, two-thirds of government expenditures come out of statutory. That's the individual bills that we pass and authorize expenditures of money. We authorize an activity that has to be funded. Two-thirds of all the money spent is statutory. We don't get to vote on that again each year. Once it's in a statute, it's there and the government can go ahead and act on that authority to spend money.

In addition to that, there are certain departmental activities that aren't necessarily covered by a statute, and those are the voted appropriations. That's what we're all dealing with here today, and that's the \$5.4 billion, which is a part of that voted appropriation, honourable senators.

Departments are asking for this amount, and I indicated we would like to know with some degree of certainty that they need that particular amount of money, but they're not required to spend that. They're entitled to spend up to that particular amount, which is another important point that honourable senators will want to know about.

We've been seeing lately that some departments are spending significantly under that amount, for whatever reason. One of the reasons we've discovered is that the government — this is the executive level — has put a restriction on travel, which creates a significant amount of money not spent in a particular time. We heard from the various departments in that regard. If you look at the Main Estimates and the supplementary estimates, you will see monies available. That money available comes from money that had been allocated by Parliament through an earlier vote but not spent because they were directed not to spend it by the executive branch. It's their prerogative to do that. We're not saying, "You must spend everything that we as Parliament authorize. You just spend up to that."

Typically, we meet with Treasury Board, because they're very helpful. I'd like to go on record as saying that Treasury Board is very helpful to us in helping us understand the fiscal cycle, the various expenses, how they're dealt with and the estimates.

We also met with other departments. I'll tell you briefly the other departments we met with: Indian Affairs, Public Safety, Infrastructure Canada, the Department of National Defence, Public Works and Government Services, and Health Canada. I'll speak very briefly about each of these departments, because Senator Smith has done a good job in outlining for us the amounts that each of the departments has requested.

Public Safety has \$688 million in grants and contributions vote. The votes are divided off into different names, operations and capital. Grants and contributions is money that goes into that

department and then is usually moved out to other departments. Various cost-sharing programs go out and help other provinces and territories with costs stemming from natural disasters, which could not be reasonably expected. The province or territory could not reasonably be expected to cover some of those costs.

An example is \$500 million for this year in votes to be used for the payment to Alberta to cover costs of the floods in southern Alberta in June of this year and \$100 million to Manitoba, still recovering from floods in 2011. These are the federal government contributions, and that's what makes us a federation. The centre is able to help the different parts of the country that are under particular stress at a particular time. There is \$9 million for flooding in New Brunswick and \$75 million for flooding in Saskatchewan.

We also learned that there will be approximately \$95 million that will be going to Lac-Mégantic, but that will probably be later, maybe in Supplementary Estimates (C) or maybe next year. We'll be seeing that, and I'll make reference to it at that time, but we know it's coming. It's not in these estimates.

The Department of National Defence was requesting a net increase. Senator Dallaire will be interested in knowing that Defence is back asking for a net increase of \$693 million. They are looking for \$693 million more.

Senator Dallaire: Maybe they will be allowed to spend it.

Senator Mitchell: Are they ever going to buy a plane?

Senator Day: It's interesting, because we follow Defence very closely. Now I'm looking at the supplementary estimates. Defence has asked us to make a change in relation to one of their matters, and I'll make reference to that. The change they asked us to make is to change the wording in their explanations that appear in the supplementary estimates. We went to the wording, and they said, "I don't think that's right."

Since we had the hearing with them, they've sent us a note back saying, "Please change the wording." The wording did have the following: "An explanation is requested under ongoing implementation of the Canada First Defence Strategy." They're saying that under major items, they would like to change the wording to take out the acquisition of new equipment such as Chinook helicopters, Hercules aircraft and tactical armoured patrol vehicles. They said to take out the Hercules aircraft and the tactical armoured patrol vehicles. That means to us that this money that they're asking here will not be used for those particular activities at this time. We will have to ask next time they're before us whether they have been put on the shelf for a period of time, because we only got this note since they were before us.

The important point that I want to make here, honourable senators, is that this note from National Defence — we got another one from Indian Affairs and Northern Development — is an example of the depth to which we, as a committee, go in understanding and asking questions of the representatives from the various departments.

National Defence was before us, as I indicated, as was Indian Affairs and Northern Development. Health Canada was before us. Public Works and Government Services Canada was before us, as well, and Public Safety, which I had already mentioned.

• (1510)

All of those departments, honourable senators, came before us to explain why they were requesting the money that Senator Smith has read out to you. We don't question the policy; we just want to understand: "Did you spend the money or do you intend to spend the money, and what do you intend to spend it on?" The policy issue is for the cabinet and the government, but to watch the expenditures within the authority given is our role as a finance committee.

Those, honourable senators, are some of the points that I wanted to bring to your attention at second reading of Bill C-19. I expect that once second reading is concluded, there will be a request that it be referred or moved to third reading at the next sitting.

Why is that requested? That's different from other things that we do. Why don't we go to committee and have committee study the bill in more detail and then report back like we do with the other ones? Nothing in our rules says that a supply bill must go from second reading to third reading and not go to committee.

Well, the reason it goes in that way is because that's an accommodation that we've made on the understanding that we've had the supplementary estimates that support this bill for a period of time, and also, you can compare this to another pre-study of the subject matter. Since we've studied that and reported it, and you've got the report before you, you can understand that it wouldn't be necessary for us send this bill to committee, have the committee study it and send it back.

So I would support, once we finish second reading, that that accommodation continue, because I will be speaking on the report and bringing some of the details of that to your attention in a short while.

Thank you, honourable senators.

The Hon. the Speaker *pro tempore*: Senator Day, will you accept questions?

Senator Day: Certainly.

Hon. Wilfred P. Moore: Senator Day, Bill C-19, I expect, was approved by the House of Commons; correct?

Senator Day: Yes.

Senator Moore: In the original wording that it came to us?

Senator Day: Yes.

Senator Moore: So now we have new wording in the section with regard to National Defence. Does it go back to the house so they can consider the new wording? It's quite a change, actually, a \$693 million change, where they took out some pretty definitive words that would tell us where the money was going to be spent. I don't know if they told us, but in any event, to me it's a substantial change. Is this going back to the House of Commons for its consideration under the new wording?

Senator Day: Thank you, Senator Moore, for your question. It is not necessary for it to go back because the wording that appears is general and the sum is now less. They look at what is in these supplementary estimates and it's less than it was previously, so it's not necessary to go back. The specific schedule hasn't changed. In that summary and description that I read to you and they asked to change is a description of all of the supply for the year. So they gave you the Main Estimates, plus Supplementary Estimates (A), (B) and (C). This is just a change in (B), because (B) is what we're dealing with. Supplementary Estimates (C) hasn't come yet. It's a change in the description, but the money that is being approved hasn't changed.

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

Hon. Senators: Question.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

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

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

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

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

THE ESTIMATES, 2013-14

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

The Senate proceeded to consideration of the second report of the Standing Senate Committee on National Finance (Supplementary Estimates (B) 2013-2014), tabled in the Senate on December 10, 2013.

[Senator Day]

Hon. Joseph A. Day moved the adoption of the report.

He said: Honourable senators, this is the report that I was referring to earlier. I hope that you all have had an opportunity to obtain a copy. It was tabled yesterday and is available by asking one of the pages.

This is a report of the committee's work in reviewing Supplementary Estimates (B), and that, as I indicated to you earlier, is similar to a pre-study. It's not exactly the same, but similar to a pre-study. So we had the opportunity to look at Supplementary Estimates (B) and report on those. Then along came Bill C-19, which is the bill we've just looked at, a supply bill based on this.

Let me give you some of the highlights that came out of this particular study that I wanted to emphasize. I did mention Public Safety. Under Public Safety, the area of grants and contributions, money goes into Public Safety and goes out to the various provinces to help with, in most cases, floods, but not in all cases — disasters, unexpected disasters, under the Financial Assistance Arrangements Act.

We were given a cost-sharing formula that we have reported on and that's in the report. It indicates when the province will get involved and to what extent the federal government will get involved. The province has the primary responsibility, obviously.

With respect to the Department of National Defence, there are a couple of areas I want to mention, one of which is \$514 million to fund the implementation of the Federal Court's approved settlement in the Manuge case. We had approved \$100 million for this last year. No, it must have been more than \$100 million because we approved enough to cover the whole — so it would have been a billion dollars that we approved last year, and they only spent a portion of that. That is a reimbursement for the government applying this clawback, saying once you turn 65, the amount of money that you were getting under disability pension will be taken back if you start receiving your Old Age Security and your pension from the government; you can't receive both. The court said yes, you can.

So you can't do that. You can't deduct one from the other. They're two separate items.

• (1520)

These are individuals who are on disability. Why does it take over a year to get the money out to the people? We were very quick to take the money from them in the first place but very slow to get it back out to them. Over half of the money, within the year, after we had approved it, was not sent out to the individuals to whom it was owed.

Parliament had previously approved \$1 billion in 2012-13 to settle the lawsuit, but only \$490 million of that was spent by the end of the fiscal year. Here we are almost at the end of another fiscal year. This is almost two years now. We're approving over half of this at this time, when we had already approved it two

years ago. Honourable senators, that is a concern, and we raised that concern with the witnesses.

The government is also requesting \$400 million in the Canada First Defence Strategy, and they use the term "supporting readiness" of the Armed Forces. Here it is, three quarters of the way through a fiscal year. You would think that the department would be capable of predicting, at the front end of the year, what they need to support readiness in the Armed Forces. We understand that, if new missions or problems come up, they would have to come back and ask for funds for that. Just a general supporting of readiness for the Armed Forces is one of the areas where they wanted to change the wording somewhat because we had questioned them on that; \$164 million in funding for the definition and implementation phases of the Arctic/Offshore Patrol Ships. The infrastructure phase includes upgrades of CFB Esquimalt and CFB Halifax and the establishment of the Arctic berthing and refuelling facility in Nunavut. That hasn't happened yet. The definition phase is basically preparing plans. That doesn't have to be done on-site. That's the funding that they're looking for at this stage.

Honourable senators will remember that, at the beginning of my speech, or in the one previous to this one, I was talking about spending their approved amounts, and National Defence is one of those departments that has not been spending its approved amounts. A significant amount hasn't been spent, and that's what we call lapsing because, if they don't spend it in the year in which it's approved, they have to come back and ask for it again and explain.

Senators on our committee asked officials about these lapsed funds for 2012-13. The amount was \$1.4 billion. This amounts to approximately 7 per cent of the total budget of National Defence that was approved by Parliament but not spent. What equipment wasn't bought? What infrastructure wasn't improved? What uniforms for soldiers? What tires for vehicles? We don't know, but we know that National Defence did not spend 7 per cent of its budget that we had approved in this chamber a year ago.

Honourable senators asked about the lapsed funds, and we'll have to get more information on that. There are explanations given. DND responded that lapsed funds were due to — and they used this term — "predictable delays" in the types of major infrastructure projects that National Defence undertakes. If it's a predictable delay, then why were they asking for the money in the first place? They should ask for it at a more reasonable time, when they can predict that there aren't going to be any more delays. That's the term they used, so I just wanted to share it with you.

DND is one of the departments that suggested that a two-year appropriation cycle for the department, while not a cure-all for all of their delays, might be of some benefit to allow for greater flexibility in terms of budget planning.

Aboriginal Affairs and Northern Development Canada is deserving of some comment; \$597 million in the supplementary estimates is being asked for by them. The majority — \$472,000 — will be used to fund specific claims under a justice initiative, where the government is trying to settle claims rather than having them go to court, trying to settle them out of court.

The Hon. the Speaker *pro tempore*: The French interpretation is not coming through, so we will suspend debate until the problem is fixed.

Senator Day: Honourable senators, senators asked about these court settlements, and we were told that 383 claims had been settled since 2007. These are usually collective claims — an Indian band or a nation — rather than individual members. There are currently 175 claims being negotiated, and some claims, as you would guess, have been rejected because the government claims it does not have a responsibility to compensate. That's why half a billion dollars is in play in Aboriginal Affairs and Northern Development.

Infrastructure Canada is another interesting one; \$224 million is being requested — a quarter of a billion dollars. Of that, \$132 million will be going to the Gas Tax Fund. This is a new program but the same gas tax rebate that goes to the municipalities, and that is under way. The provinces have been provided with the new agreements. The agreements have to be signed before the money starts flowing, so I'm sure all of the municipalities are anxious that these agreements get signed because this is an important source of revenue for municipalities. Apart from that, all they have is property taxes.

Infrastructure Canada was another department that showed lapsed funds as I talked about with respect to DND. This department let lapse, last year, \$1.6 billion. Now, that's nearly 30 per cent of the entire budget of the department, which, as I'm sure honourable senators will appreciate, is a very significant amount of money that has lapsed. They claim that it's because they reimburse their partners in the provinces, territories and municipalities once the work is completed and invoices are submitted. Infrastructure and DND stated that maybe a two-year cycle would help them with respect to dealing with these various programs. The other way to do it would be not to ask for it until you think you need it.

Health Canada is seeking \$395 million in these supplementary estimates. This is money that they didn't know, at the first of the year, that they were going to need, and now they're asking for that kind of money. Why do they need it? Sixty-five per cent of this will go toward health programs and services for First Nations and Inuit.

They're also requesting money to enhance the ability — \$3.2 million versus \$400 million — \$3.2 million to enhance food inspection and that area of their mandate.

• (1530)

Public Works and Government Services Canada, \$176 million, and \$165 million of that is for new appropriations. Mainly, they are requesting money to improve, the term they use is "fit-up." It's to enhance the telephone systems and the value and functionality of the buildings in the Gatineau area — putting in new telephone wiring, computer wiring, et cetera — over \$40 million. They claim that this will help consolidate government departments and save them money in the long run.

They have an interesting problem with respect to lodging for their various government departments, because they determine the amount of money that should be claimed each year for

improvements to the building by the number of people in the department. As some of these departments go down in numbers, according to the old formula, they would have less money available to improve the buildings.

The Hon. the Speaker *pro tempore*: Do you need more time, honourable senator?

Senator Day: Two minutes, please.

The Hon. the Speaker *pro tempore*: Two minutes, Senator Day.

Senator Day: There may be some honourable senators who have some questions, so I would be pleased to take the full allotment of five minutes. Thank you.

I will be watching that with interest, but they're going through a bit of a transition in terms of that particular formula for funding that we were told about and whether the number of square feet that each individual is entitled to will change. We'll be keeping an eye on that.

So, honourable senators, those are my comments with respect to this particular report. It's a good report, and I wanted to thank the Library of Parliament for the good work that they did in getting this document together on very short notice. It's reflective of what went on in our committee, and I believe it tells a clear picture of what we have studied and found at committee in relation to Supplementary Estimates (B).

Thank you, honourable senators.

The Hon. the Speaker *pro tempore*: Resuming debate. Do you have a question, honourable senator?

Hon. Roméo Antonius Dallaire: Yes.

The Hon. the Speaker *pro tempore*: You may need to ask for more time.

Senator Dallaire: Senator Day, I didn't attend the sessions; I regret not having been there. However, I find innovative the language coming out of National Defence called "predictable delay."

Now, historically, vote 5, which is capital programs, would not be able to spend about \$400 to \$500 million a year for various reasons: they couldn't get the Treasury Board, they couldn't get a sign-off by somebody — WDO or ACOA or something — or simply the contractor couldn't meet the milestones and wasn't able to deliver. So you get that. That money used to be moved to vote 1, which means O&M, and they were able to use that.

But the 7 per cent non-expenditure, we're talking in the order of \$1.4 billion plus, remembering that there's carry-over and there is also some movement of vote 1 money.

So I'm having a real problem standing here and saying we're going to vote for this when we're handing back \$1.4 billion plus, and yet the regiment that I am the honorary colonel of has to now hand in vehicles. The fleet is going to be eliminated because they don't have the money to buy the spare parts to keep the fleet going. So you've got a whole fleet that can't buy transmissions, so

they're going to scrap the whole damn fleet because they can't get the O&M money to buy the transmissions, yet we're handing back \$1.4 million. That's not "predictable delay;" that's "inept."

Did anyone question the actual movement of funds within DND between vote 5 and vote 1 in order to meet some of these fundamental requirements in the field for these units?

Senator Day: Thank you, Senator Dallaire. The first point you make is a good one, and that's the movement — I'm not saying anything about the second point you make, but just let me deal with the first point first. Moving funds from operations to capital or from capital to operations is something we on the Finance Committee have been watching closely for a good number of years.

I can tell you that the lapsed funds, and Senator Gerstein can tell you, that they are lapsed funds in both operations and capital. So this isn't an issue of funds being moved from one to the other. The lapsed funds in operations question why management wasn't able to get the funds, or didn't want to get the funds, out to your regiment and other regiments. We can all speculate as to whether it was a management problem or if management was under some duress not to send it out.

There have been two directives from the executive — this is the overall — this is cabinet — saying, "Find efficiencies. Don't spend all the money that's been approved; we want to be able to show that you've saved some funds." So there's a lot of pressure on upper management in the Department of National Defence not to spend all of the funds that were allocated to them. And that's part of the problem.

We obviously don't have the resources to go in like the Auditor General with the 500 people that the Auditor General has in his office, but we do have the opportunity to ask questions, and we do ask those questions of witnesses when they come before us.

[Translation]

The Hon. the Speaker pro tempore: Senator Day's time has expired. Senator Day, are you requesting five more minutes?

Senator Day: I am always willing to answer questions.

[English]

On debate. Are honourable senators ready for the question?

Some Hon. Senators: Question.

The Hon. the Speaker pro tempore: It was moved by the Honourable Senator Day, seconded by the Honourable Senator Moore, that this report be adopted now.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

The Hon. the Speaker pro tempore: On division.

(Motion agreed to and report adopted, on division.)

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

On the Order:

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

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

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

MAY IT PLEASE YOUR EXCELLENCY:

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

Hon. James S. Cowan (Leader of the Opposition): I'm glad to see my number one cheerleader, Senator Tkachuk, is in his seat. That's good.

Honourable senators, yesterday I described how, in the Speech from the Throne given exactly six years ago before this most recent effort, the government proudly crowed: "The economy is strong, the government is clean and the country is united."

I described in some detail why this year the government did not dare make the same claim with respect to the last two items. Today, I'd like to focus on the economy.

Six years ago we were told that the economy Prime Minister Harper inherited from Prime Ministers Chrétien and Martin was strong. Earlier this month, we were told by the Minister of Finance that it's now in a fragile state.

• (1540)

Colleagues, in 2006, the economy was strong. Successive Liberal governments had made sure the fundamentals were right. We withstood the pressure from the banking sector, our international partners and our domestic critics, including Mr. Harper himself, to loosen the regulations on our banks and, as a result, we were better positioned to weather the financial crisis than other western nations.

We wrestled down the deficit inherited from the previous Conservative governments of Prime Ministers Mulroney and Campbell. Canadians across the country pulled together, recognizing the urgency of the situation and, under the good governance of Jean Chrétien and Paul Martin, Canada succeeded. Instead of a multi-billion dollar deficit, Mr. Harper inherited a more than \$13-billion surplus.

Unfortunately, the new Prime Minister proceeded to squander it all, well before the 2008 financial crisis hit the global economy. He, of course, swore to Canadians during the 2008 election campaign that his party would never put Canada back in deficit. He called the very idea “ridiculous.”

As an aside, “ridiculous” was the identical word used by Toronto Mayor Rob Ford in May of this year when stories began circulating that there was a video showing him smoking crack cocaine. “It’s ridiculous,” he said. We have now learned that in the special lexicon of the Ford Nation and Harperland, ridiculous actually means “accurate.”

In Mr. Harper’s case, he proceeded to dig Canada into the largest federal deficit in Canadian history: a record \$55.6-billion deficit.

The Liberal governments of Prime Ministers Chrétien and Martin had presented Mr. Harper with a decade of balanced budgets, declining debt and taxes, annual surpluses and a projected fiscal flexibility of \$100 billion over the next five years.

And what did Prime Minister Harper do when he took power, this economist who promised Canadians that he would provide a steady Conservative hand to steer the Canadian ship? Prime Minister Harper overspent by three times the rate of inflation. Instead of a steady hand on the tiller, it was as if someone who was in a drunken stupor had seized control.

He wiped out all the financial shock absorbers that the Chrétien-Martin governments had carefully built into our budgetary system. They had been designed to protect Canadians against fiscal shocks — fiscal shocks like the ones we’ve seen in recent years.

We all remember how Mr. Harper failed to anticipate the 2008 recession. Instead, as the world economy collapsed, he told Canadians it was “a good buying opportunity.”

In November 2008, the Harper government presented its economic and fiscal update. Canadians were shocked. The government was proceeding as if it was completely oblivious to

what was happening around the world. The global financial system was being brought to its knees and the Harper government was busy telling us that all was rosy. In fact, the economic update told Canadians to expect a \$100-million surplus in 2009-10.

We all remember what happened next. Just weeks later, Finance Minister Flaherty was forced to admit that his analysis had been wrong and that Canada would run a deficit of between \$20 billion and \$30 billion, which then climbed to \$34 billion, then to a record \$53.8 billion, and finally growing to \$55.6 billion: the largest deficit ever run by any government in Canadian history.

Colleagues, from projecting a \$100-million surplus to running up a \$55-billion deficit, no government in our history has ever made such a massive budgetary miscalculation. So much for the pledge that a Conservative government would be a prudent fiscal manager and would never put Canada back in deficit. Instead, we found ourselves in a fiscal fiasco.

Consecutive Liberal governments produced 10 consecutive federal budget surpluses. Stephen Harper’s government has delivered seven straight consecutive deficits.

Colleagues, I ask you, on the evidence, whose is the truly steady hand?

Of course, in the ultimate attempt to deflect attention from his own sorry record of turning a healthy surplus into a record deficit, Prime Minister Harper is now promising to introduce balanced budget legislation. Colleagues, is he saying that he would not have run up his huge deficit if Parliament had restrained him with balanced budget legislation? We know that it was a Liberal government that balanced the budget, and without the need for legal constraint. I can only conclude that Prime Minister Harper is saying that Conservative governments, including his own, can’t be trusted to govern prudently and balance budgets without the constraint of law. So much for the Conservative steady hand.

Now, of course, we’re told that the government expects to be able to report a \$3.7-billion surplus in 2015 — not surprisingly just in time for the 2015 federal election. But, colleagues, this is the same government that for the longest time couldn’t account for \$3.1 billion of money that was earmarked for anti-terrorism measures. Indeed, recent news reports suggest that \$1.3 billion of the money still remains unaccounted for.

It’s also the same government that told Canadians that purchasing replacement fighter jets for the CF-18s would cost taxpayers \$9 billion, which then became \$15 billion, and even then the Auditor General revealed that, in fact, members of the Harper government —

Some Hon. Senators: Oh, oh!

Senator Cowan: I know Senator Tkachuk doesn’t like to hear this, but he’s going to hear it. His choice is either that he sits there and hears it, or that he leaves. It’s his choice. I would welcome his comments when I’m through. I’m sure that he has a side of the story he’s anxious to tell. He is welcome to join in the debate after

[Senator Cowan]

I'm finished or, if he would like to prepare his notes over the break, I would listen with interest to him, but simply sitting in his seat and heckling doesn't say much for his judgment.

Let me repeat this, because this is important. It is also the same government that told Canadians that purchasing replacement fighter jets for the CF-18s would cost taxpayers \$9 billion, which then became \$15 billion. Even then the Auditor General revealed that, in fact, members of the Harper government had deliberately hid further costs of \$10 billion from Parliament and Canadians, and that the real cost would be \$25 billion. Of course, even that turned out to be low-balling. This summer, a DND report said that the cost could escalate to \$71 billion. That's a far cry from the initial estimate of \$9 billion.

This is what Michael Byers recently wrote:

... when it comes to defence procurement, Harper is straight out of Monty Python — about as effective as a knight riding a make-believe horse while knocking two coconuts together to simulate the beating of hooves.

Try as they might, neither the knight nor Harper can mask his inadequacy.

Byers continues:

Harper has actually exceeded the comedy of Monty Python with his string of procurement defeats: Arctic offshore patrol ships too fragile to break ice and too slow to patrol that will cost five to 10 times more than what other countries pay for more capable vessels; joint support ships that, after eight years of deliberations and designs, have yet to see a construction contract signed.

Harper even failed in his effort to buy search-and-rescue aircraft.... He abandoned a plan to replace the half-century-old Lee-Enfield 303 rifles used by the Canadian Rangers in the Arctic, despite excellent replacements being available at Canadian Tire.

Our allies scratch their heads and wonder why this government cannot even procure something as simple as trucks for the Canadian Army.

But colleagues, this isn't a movie we can laugh at — this is our government, and these are billions of taxpayer dollars that the Harper government is supposedly budgeting and spending.

Of course, now we have heard from the Auditor General that the billions of dollars the federal government has budgeted for its national shipbuilding strategy won't be enough to get our Navy the vessels it has been promised and that it needs. Apparently when it comes to defence procurement, not only is there not a steady hand on the tiller, there's no tiller at all.

Despite this serial mismanagement of public funds — and notice, colleagues, I haven't even mentioned the gazebos or fake lakes — the government likes to say they are "focused on jobs, growth and economic prosperity." They spend a lot of money telling Canadians that — over and over and over. In fact,

colleagues, in six years the Harper government has spent over \$540 million on taxpayer-funded advertising — over half a billion dollars — and that shows no sign of abating.

• (1550)

How does the government pay for its freewheeling spending process? Well, one way appears to be by selling off Canada's heritage assets. The Harper government just announced that it has sold Macdonald House at Grosvenor Square in London, a historic mansion that for many years was part of the Canadian High Commission and, in fact, was named for Sir John A. Macdonald. The selling price was \$530 million — not even enough to pay for the Harper government's advertising blitz to date. What will be sold next to pay for the millions of Harper government advertising yet to come?

It isn't only advertising that's soaking up taxpayers' dollars. Last Friday, Canadians learned that the Harper government has quadrupled spending on outside legal services. Last year alone, the government spent \$462 million on outside legal services. Since coming to power in 2006, it has spent \$2.7 billion. That's a total of \$3.2 billion on lawyers and advertising; and this government has made cuts to EI. According to a *Toronto Star* analysis, only 37 per cent of unemployed Canadians are eligible for EI. The government told Canadians they have to work until they turn 67 to collect Old Age Security, but they found \$3.2 billion to spend on lawyers and advertising.

Colleagues, just as consumers need to be cautious about claims made in slick ads, so too Canadians are learning to be very wary of the extravagant claims made by the Harper government and their much-advertised economic action plan. My office together with that of Senator Day asked the Library of Parliament to run the numbers. The Liberal governments of Jean Chrétien and Paul Martin created 3,332,000 net new jobs — 2,822,000 full-time jobs and 511,000 part-time jobs. The Conservative government of Stephen Harper has created 1,383,000 net new jobs — 1,055,000 full time and 328,000 part time. That's over 3.3 million jobs from Liberal governments, 1.3 million jobs from a Conservative government; and 2.8 million full-time jobs from Liberal governments, 1 million full-time jobs from the Harper government. Those are the facts. As President Clinton would say, "It's arithmetic."

I appreciate that some colleagues opposite, perhaps Senator Tkachuk, may point out that these figures reflect 12 years of Liberal governments and 7 years of Harper Conservatives. That's fair enough; so let's look at seven years of Liberal governments.

In the first seven years of the Chrétien government, when the then Prime Minister and his Finance Minister, Mr. Martin, were fighting the massive deficit inherited from the Mulroney/Campbell governments, the Liberal government still created —

Why don't you let me speak and then you speak? Let's make a deal, Senator Tkachuk: You might learn something if you have to listen. It's very difficult to learn anything while you are talking. Why don't you try that?

The Liberal government still created 1,968,000 net new jobs. In case you are worried that I cherry-picked which seven years I looked at, well, if you take the last seven years of the Chrétien and

Martin governments, they created 2,078,000 net new jobs. In other words, whichever seven years you look at, Liberal governments created 2 million new jobs. Liberal governments — 2 million jobs in seven years; the Harper Conservatives — 1.3 million jobs in seven years. That's 700,000 fewer jobs.

Our former colleague Senator Austin was a great student of Canadian history. He once told a story in this chamber that I have never forgotten. It was about Prime Minister Louis St. Laurent. During a campaign speech in the 1949 general election, Mr. St. Laurent said: "And my friends, I want to remind you that Liberal times have been good times, and Tory times have been bad times for Canadians," whereupon someone in the audience called out, "That is only a coincidence," to which Mr. St. Laurent replied, "Yes, my friend, it may only be a coincidence, but tell me, which coincidence would you rather have?"

Colleagues, more than 1.3 million Canadians are unemployed today. Christopher Ragan, Associate Professor of Economics at McGill University, holds the David Dodge Chair in Monetary Policy at the C.D. Howe Institute. He published an article in the *Globe and Mail* on October 1 entitled, *Canada's job recovery may not be the envy of the world after all*. He looked at the claims of the Harper government to have recovered all of the jobs lost during the recent rescission. He pointed out:

... the focus on total employment is a bit misplaced. U.S. Federal Reserve chairman Ben Bernanke often emphasizes that it is not good enough to have a growing economy; what is needed is sufficient growth to absorb the expanding labour force that naturally accompanies a growing population.

He continued:

A better indication of the economy's job creation performance is the path of the employment-to-population ratio — and by this measure, our economic recovery is only mediocre.

Just before the crisis, total employment was 63.7 per cent of the population. It fell sharply during the recession, by more than two percentage points in less than 18 months, and then struggled to recover even to 62 per cent...

— it was 63.7 before and 62 per cent after —

... where it has flat-lined for more than two years.

So, while Canada's economy is indeed producing more jobs every year, it isn't producing enough to adequately absorb the natural expansion in Canada's labour force.

Professor Ragan then turned to the unemployment statistics.

The official unemployment rate is 7.1 per cent, well below its peak of 8.7 per cent in mid-2009. On the surface, this looks pretty good. But one reason the unemployment rate falls is that some people become so discouraged by their

inability to find a job that they stop searching and drop out of labour force; when this happens, the resulting decline in the unemployment rate is not good news.

Statistics Canada publishes an annual expanded measure of the unemployment rate that includes discouraged workers as well as workers who are working at part-time jobs even though they continue searching for full-time ones. This alternative employment rate is still above 10 per cent.

Above 10 per cent, colleagues.

We all remember Prime Minister Kim Campbell telling Canadians during the 1993 election that the jobless rate likely wouldn't fall for some four more years. She was reported in the media as saying that no new jobs would be created until the year 2000. She denied those media reports as inaccurate but maintained the accuracy of the substance, saying it was "telling it like it was" — honesty in politics.

That may well have been honesty about what a Conservative government could do. Happily, the Liberal government under Prime Minister Chrétien and Finance Minister Martin did much better. The unemployment rate was brought down fully 2 percentage points within a year and a half of Prime Minister Chrétien taking office. And jobs? From the time the Chrétien government took office in October 1993, until the end of the year 2000 — the first seven years of a return to Liberal government — instead of Prime Minister Campbell's projected no new jobs, 2 million new jobs were created, as I have already described.

Today, after seven years of the Harper Conservative government, Canada is back to terribly lean times. Unemployment is up. Instead of 2 million new jobs, we have 1.3 million Canadians unemployed.

And the government's plan to bring jobs to Canadians? Well, its centrepiece is its new Canada Jobs Grant. It has already been advertised to Canadians with hundreds of thousands of taxpayers' dollars in ads that began airing last spring during the NHL playoff games — the most expensive advertising by these supposedly "careful money-managing Conservatives." But colleagues, if that wasn't enough to make Canadians question the Harper government's managerial competence, these rich ads advertised a unicorn-like program that didn't exist, still doesn't exist and in fact may never exist. From the moment it was first announced in the March budget, it has been mired in controversy. I would like now to spend a few minutes to explain why.

• (1600)

This new federal plan was to be financed in part by the federal government cutting 60 per cent of the funding it provided to the provinces and territories under labour market agreements the Harper government itself had negotiated in 2007. Then, of course, Prime Minister Harper had a minority government and was anxious to portray his government as sensitive to provincial jurisdictional concerns. What a difference a majority makes. This year, with no warning to the provinces — let alone any prior

consultation — the Harper government decided unilaterally to claw back most of the funding it had agreed to provide. Not only would the provinces and territories lose \$300 million each year by reason of this cut, but they would be required to come up with a further \$300 million in new funding from their own resources to match the federal contributions, which should have been theirs in the first place.

Don Drummond, the highly respected economist, called this “the fatal flaw.” He said that Ottawa is creating a program in an area of provincial jurisdiction and asking provinces to pay two thirds of the cost without even consulting them. He correctly asked: “What is the logic behind this, that someone would think that this was going to fly?”

And in fact, the provinces unanimously reject the federal proposal. They have said so repeatedly, from their annual meeting last July to their meeting a few weeks ago.

Liberal governments valued bringing the country together. Under the Harper government, “the country is united” evidently means all of the provinces united against the Harper government.

But the premiers are not alone in their disapproval of the Canada Jobs Grant, and the issue is not limited to federal-provincial jurisdiction. There are serious questions about the merits of the proposal. The Caledon Institute, a highly respected policy institute, studied the proposed Canada Job Grant. It called it “deeply flawed public policy.” This is what the report said:

The program is likely to deliver inferior results at higher costs compared to the programs under the current Labour Market Agreements that it would displace. It would remain out of reach to many of the unemployed and underemployed Canadians it is intended to serve. It would also be unlikely to address the needs of those employers and sectors unable to hire the skilled workers they need. The provinces are understandably reluctant to sign on under terms like these.

This paper was published in June.

The conclusion of the provinces was the same. In September, the provincial and territorial labour market ministers presented their report entitled *Building Skills Together*. The ministers reiterated their unanimous belief that the Harper government’s Canada Jobs Grant is not the best policy to engage employers in improving the skills of their employees. They listed six reasons, including the fact that: “The federal government has provided no evidence that the proposal will help workers or employers.”

No evidence, colleagues, for the centrepiece program of their “jobs, growth and prosperity” budget.

Let me quote again from the Caledon Institute study on the proposal.

The Canada Job Grant has all the signs of a proposal picked out of thin air. There is no pilot program, no study and no documentation shared with the public to support the

expenditure of \$600 million annually of public money into the program. In paying for the program by withdrawing 60 percent of the federal funding for federal-provincial Labour Market Agreements, the further cost is the erosion of nearly two decades of momentum to allow provinces to build labour market training programs that are integrated with other education and social services and with local non-profit delivery partners.

The Canada Job Grant represents an aggressive federal foray into an area which had been recognized over the last quarter century as within provincial jurisdiction.

That’s from the Caledon Institute, and the authors headed one part of their report, “A slap in the face for the provinces and territories.”

Colleagues, this story becomes even more bizarre as the Harper government tells Canadians that the new Canada Jobs Grant is needed because provincial programs simply aren’t working. Well, a report prepared just a few months ago by the federal government itself said that in fact the provincial programs funded under the labour market agreements are a huge success and 86 per cent of those who received training were still working two years later. Colleagues, that report is dated March 31, that is, 10 days after the federal budget that announced the provincial programs were to be replaced by the new federal Canada Jobs Grant. Not only is this policy not based on evidence, it appears to be actually counter to the government’s own evidence.

So, the Harper government’s big plan to help the 1.3 million unemployed Canadians is to jettison programs that are working, replace them with a program that “has all the signs of a proposal picked out of thin air,” and impose it on provinces and territories that don’t agree with it, don’t believe it will work and are flatly refusing to go along because they have concluded it is bad public policy.

And meanwhile, jobs continue to be lost. Our manufacturing sector has been particularly hard-hit. Indeed, Canadians recently learned that Heinz Canada is shutting down its plant in Leamington, Ontario, next year, eliminating 740 jobs. That plant has been in Leamington since 1909, colleagues — more than a century. On the Harper government’s watch, those jobs are gone. Just yesterday, Kellogg’s announced that it will close its breakfast cereal factory in London, Ontario, next year — 550 jobs gone. That factory has been in London since 1924. Heinz — a 100-year old plant, closed. Kellogg’s — closed after 90 years.

Let’s be clear, colleagues: Manufacturing has gone through a difficult adjustment. But in the U.S., for example, which also suffered manufacturing job losses, those jobs are returning. Why not here?

The Bank of Montreal has just cut 1,000 jobs.

Even Canada’s resource sector, a particular focus of the Harper government, is not immune. Potash Corporation of Saskatchewan is cutting its workforce by 18 per cent, including 440 in Saskatchewan and 130 in New Brunswick.

And today, we learned that Canada Post will be cutting 6,000 to 8,000 jobs over the next five years.

These are just some of the job losses that Canadians have learned about in recent days. In September, BlackBerry, formerly Research in Motion, announced that it was laying off 4,500 employees, and of course the iconic Nortel Networks, once the flagship of Canada's high-tech industry, filed for bankruptcy in 2009. In July 2000, it accounted for 41 per cent of the TSX. But on this government's watch, bankruptcy.

Our young people have been hit especially hard by the lack of jobs under the Harper government. The unemployment rate for young Canadians between the ages of 15 and 24 is hovering between 13 and 14 per cent. As Professor Ragan noted, it has shown no sign of declining in almost two years. Some 400,000 young Canadians are unable to find work.

Colleagues know that the most recent StatsCan Labour Force Surveys reported that the unemployment rate went down 0.2 percentage points, to 6.9 per cent. One would think this is good news, honourable senators, but the reason for the decline? Fewer youth actually searched for work. They simply gave up.

Indeed, the StatsCan figures released last Friday showed that the number of unemployed young Canadians grew by 26,000 last month alone.

• (1610)

There are long-term implications for these young Canadians and for all of us. We know that there's a kind of multiplier effect: When a young person struggles to get that first or second job, it becomes harder to find one at all with the passage of time. Employers don't like to hire people with big gaps in their resumé.

TD Economics issued a special report on youth unemployment in January. It said:

Being unemployed at a young age can have a long-lasting impact on an individual's career prospects. Economic research indicates that a period of unemployment at the time of entry into the labor market is associated with persistently lower wages many years thereafter. This stylized fact, known in the literature as "scarring", has been documented in studies using data from different countries.

They quantified the long-term cost of this. Their conclusion: The rise in youth unemployment will cost these young Canadians \$23.1 billion in lost wages over the next 18 years.

A report this summer by CIBC also highlighted the seriousness of the problem. It warned:

The economic reality for youth today is very different than that of previous generations. While young Canadians are resourceful and capable of adjusting to the pulse of an ever changing labour market, they are faced with problems

unknown to their parents. The current environment of part-time work, temporary jobs, corporate and government restructuring and downsizing is especially tough on young people whose lack of experience and seniority make them much more vulnerable to labour market changes.

And, of course, the unemployment figure does not include the many young Canadians who are simply underemployed. We all know too many examples — the bright college graduate working for minimum wage in a coffee shop. According to a CIBC report, a record high number of young people are working part-time — 22 per cent of teens, 14 per cent of non-students aged 20 to 24. This is "a significant increase from previous cycles," according to CIBC. Of those working part time, 70 per cent want to work full-time, but they can't find jobs.

To make matters worse, as the labour market constricts for young people, tuition fees are going up exponentially. According to a recent study, the cost of a university degree is expected to have tripled between 1990 and 2017. Statistics Canada estimated back in 2005 that the average Canadian student debt was \$37,000, and with tuitions continuing to rise, this will likely only grow. How do you pay that off working for minimum wage, if you are lucky enough to get a job at all? This year, the federal government wrote off \$232 million in unpaid student loans; the total is nearly \$500 million in recent years.

CIBC identified 420,000 what it called "economically at-risk youth," or nearly one in ten young Canadians. It said:

These youth face a harsh job market environment, real entry barriers and likely do not have the skills necessary to compete. This group will likely remain chronically unemployed without action to re-educate or provide themselves with skills training.

Colleagues, these young people are Canada's future. One day they will govern, and I hope they are more generous to us than Stephen Harper has been to them.

Some Hon. Senators: Hear, hear.

Senator Cowan: In January, EKOS published a report called *Looking Backward, Looking Forward*. Canadians were asked whether they think the next generation will be better off than we are today. Only 14 per cent believe their children will inherit a better world; 57 per cent believe the next generation will be worse off than we are today.

The belief in progress — that just as our lives have been better than those of our parents and grandparents, so our children's lives will be better than our own — that optimism is gone.

And what is the government's plan to deal with these new difficult challenges facing Canada's youth? Their only plan for young people seems to punish them even harder if they make a mistake, with ever more new mandatory minimum sentences in our criminal justice system. No carrot — only a bigger stick for young Canadians from the Harper government.

But unfortunately, it's not only our young people who are at increasing risk in the Harper economy; 70 per cent of Canadians believe that the middle class is falling behind. And when you look at the numbers, it's easy to understand why. Median incomes are stagnating, but living expenses have gone up. Child care, gasoline, a new home, post-secondary education — these are basic expenses, and they've all gone up significantly faster than the rate of inflation.

One in four Canadians lives paycheque to paycheque — some surveys put the number even higher, at four in ten Canadians.

These young Canadians who graduated from university or college and can't find a job? Many have moved back home. The TD Bank has estimated that 43 per cent of the so-called baby boom parents — empty nesters — now have adult children, no longer in school, living at home rent-free.

Colleagues, it is small wonder that Canadian families are staggering under unprecedented loads of household debt. Canadian households owe \$1.64 for every dollar in income.

To put this in perspective, this is just about the ratio that existed in the United States just before their housing market crashed in 2008.

Seventy per cent of Canadians who work in the private sector have no company pension that they can depend on in retirement. Almost half of Canadians over 50 have barely one quarter of what they anticipate they will need for their retirement.

The provinces are aware of this problem. Premier Wynne has recently warned that Canada is headed for an economic crisis if the provinces and Ottawa don't take action now to improve retirement incomes. But Ottawa, it seems, isn't listening, and Prime Minister Harper says he "couldn't care less" about anyone who views the world differently than he does.

Sixty per cent of middle-class parents worry about being able to afford any kind of higher education for their kids.

And what did we hear in the government's Speech from the Throne? The Harperland version of "Let them eat cake" is "Let them watch television." The Harper government's great plan to support Canadian families is to crack down on television providers, to demand that they unbundle television channels. The first things that need unbundling are the omnibus bills that this government keeps introducing.

Some Hon. Senators: Hear, hear.

Senator Cowan: Colleagues, unbundling cable service plans is all fine and good, but Canadians are worried about finding good jobs. They're worried about the future of their children and how

they will pay for their retirement. They are worrying about managing their load of debt, the largest in Canadian history. Watching television is not their priority.

Let me read to you briefly from the EKOS survey I mentioned a few minutes ago, because it starkly describes the challenges we're facing and for which this government has no answers:

It appears that the basic charter of liberal capitalism is unravelling. The American and Canadian dream of a better future — assured for families through hard work... and ingenuity — no longer seems assured. For the first time, more Canadians feel they are worse off than their parents. This gloomy picture about current progress turns depressingly dark when we are asked to chart the prospects of the next generation. Less than 15 per cent of us think the next generation will be better off (almost exactly the same slim number as we see in the US public). The "average" Canadian is also much less likely to locate themselves in the "middle class" which has fallen below half in terms of self-definition. Vertical social mobility is no longer upward; it's downward as the diminished middle class falls backward into the working class or the poor.

Colleagues, the Harper government has the worst record for economic growth since the Bennett regime in the Great Depression. According to EKOS, Canada is ranked seventeenth in the world in standard of living, with a downward bullet on the international charts. Remember when, under Liberal governments, Canada was ranked number one in the world on the United Nations Human Development Index? Now, we are eleventh.

• (1620)

Prime Minister Harper likes to boast about our record in the G7. The fact is, our unemployment puts us in the bottom half of the G20.

The Wall Street Journal published an article recently about the state of Canada's economy under Stephen Harper's leadership. They said that the Throne Speech was to give:

... Prime Minister Stephen Harper a chance to reinforce his government's image as having a steady hand on the economic-policy lever....

They continued:

But statistics and sentiment in Canada suggest it's a shaky, not steady, economy on the homefront.

On jobs, *The Wall Street Journal* said:

... job creation isn't keeping up with population growth and discouraged workers, particularly the young, are dropping out of the labor force.

Edward Greenspon, formerly the editor of *The Globe and Mail*, published an article a few weeks ago. It was headed: *Canadian economy has turned into a policy-free zone*. He contrasted the Chrétien-Martin Liberal governments which, after beating down the deficit:

... focused their economic policy on supporting the building blocks of the knowledge economy through creation of the Canada Foundation for Innovation, the Canadian Institutes of Health Research, Canada Research Chairs, etc. The Harper government has turned instead to energy and trade as its priorities. The former has been a well-documented jumble, culminating in a Keystone XL pipeline file that could have been managed by the Keystone cops themselves.

Mr. Greenspon wrote:

On trade, a four-year quest to reach a deal with a weakened European Union teeters with little notice.... While completing deals with the likes of Colombia, Panama and Jordan, the proportion of Canadian exports covered by FTAs has actually fallen in recent years. That's because we blow hot and cold on critical Asia. We stumbled out of the gate with Korea; talks with Japan and India are preliminary and challenged; we came late to the Trans-Pacific Partnership; and the government remains hesitant to fully grasp China's outstretched hand.

Of course, colleagues, since then, Prime Minister Harper has signed a deal with the European Union, but Canadians still aren't allowed to actually see what it says. According to a Canadian official who refused to allow his name to be used, it still requires "drafting and fine-tuning," and it will need a "scrub" from lawyers to make sure that it is "legally coherent."

I'm a little unnerved when I hear that anyone, let alone the leader of the world's eleventh largest economy, has signed an agreement that may not be "legally coherent."

From my perspective, it sounds depressingly like this deal was signed not because it was actually ready to be signed but because the Prime Minister desperately needed something to show Canadians — and especially his famous Conservative base — before heading to the Conservative Party convention, particularly since his much-trumpeted Speech from the Throne in fact heralded very little of significance to Canadians.

Honourable senators, this is the unfortunate state of the economy, and all those who depend on it are paying a very high price after seven years of the Harper government. No wonder the government was not able to say, as it did six years ago, that the economy is strong. The economy is not strong, just as the government is not clean and just as the country is not as united as it was when Mr. Harper took over the reins of power.

The Prime Minister prorogued in September, ostensibly to hit the "reset" button on his government, but then he delivered the same old, same old. Instead of a reset, Canadians got a retreat.

Evidently, this is as good as it's going to get under the Harper Conservatives. This is all they can envision, all they can deliver. For Canadians who expected more, who wanted more from their government in these difficult times, the Prime Minister says he couldn't care less.

That's not what Canadians need. This is a Throne Speech that cannot be supported. Canadians need a Canada of mutual respect among diverse opinions and groups, a Canada of dialogue between the federal government and the provinces and territories, a Canada governed by leaders who value evidence more than spin and who think more about the next generation than the next election.

Canadians are looking for leadership on the critical issues that are affecting their families every day — issues like health care so that a parent doesn't have to choose between critical medicines for their child and the food they will have to eat; issues like climate change so that what used to be once-in-a-hundred-years events don't become regular occurrences; and issues like jobs and the economy for all Canadians, young and old — for them to be addressed seriously, not with proposals picked out of thin air.

It is past time to move beyond the perpetual circus of scandals, overblown claims of false achievements, advertising substituting for policy making and carefully staged photo ops in place of real leadership.

I will end with the pledge that I've repeated in every speech I've made in reply to a Speech from the Throne since I became Leader of the Opposition here. I think this is the fifth such speech.

Our numbers on the opposition benches have dwindled significantly. We are now very much in the minority, but our role, while perhaps more challenging, has not fundamentally changed. If anything, I believe it is more important than ever.

I pledge that we will do our best to fulfill our constitutional role as members of an active, thoughtful, dedicated opposition, exercising our mandated role of sober second thought.

We will carefully scrutinize the government's legislative programs and will propose legislative measures of our own. Where we find fault with legislation, we will propose amendments to improve it. Where we favour the government's proposals, we will support them. Always, our guide will be the public interest.

While I originally wrote those words to describe our responsibilities as opposition senators, they, I suggest, describe the role of each and every one of us as members of a chamber of sober second thought.

Honourable senators, I look forward to an active, productive session, working together, across party lines where possible, in the interests of all Canadians. Thank you.

The Hon. the Speaker: Continuing debate?

Hon. Tobias C. Enverga Jr.: Honourable senators, I do not think I can duplicate the eloquence and electricity of Honourable Senator Cowan's speech, but I might as well speak on a slightly different note.

Honourable senators, I rise today to speak to the motion to present an address in reply to His Excellency the Right Honourable David Johnston's Speech from the Throne, delivered in this chamber on October 16.

I wish to congratulate His Excellency on his second Speech from the Throne. This is my first as a Canadian senator, but it is the second Throne Speech I have heard in this chamber. I was present in the gallery to listen to His Excellency's first speech, and I was very proud to hear it first-hand. Little did I know that I would be sitting down here among you for his second.

Honourable senators, this is my first speech in this chamber to an item on the Order Paper.

Some Hon. Senators: Hear, hear.

Senator Enverga: Since it is my maiden speech, I wish to thank some notable people for their efforts. I wish to thank our Prime Minister, the Right Honourable Stephen Harper, for recognizing the role of the Senate of Canada in its representation of minorities. By recommending me for appointment, he included the Filipino Canadian community in the growing list of minorities that are included in our upper house. It is a credit to our community.

• (1630)

Honourable senators, I also wish to thank my honourable colleagues on all sides who have welcomed me into their midst since my appointment. I thank Senators LeBreton and Meredith for introducing me when I was sworn in. I thank all honourable senators who, during my first year in the Senate, have provided me with good advice and guidance in how to best perform my duties. I often say that in all my years in Canada, working mainly in the banking sector, I have never worked so hard and such long hours as I have since becoming a senator.

Some Hon. Senators: Hear, hear.

Senator Enverga: Most Canadians do not know about all the work that we do, day after day, night after night, and week after week.

Some Hon. Senators: Hear, hear.

Senator Enverga: We must continue to share with Canadians what we do. And we must be vigilant in showing Canadians that we are here to serve them, to scrutinize legislation, and to add the voices of the minorities in the regions we represent to this process. We must show that we are an essential part of the democracy that we are blessed with, just like the Fathers of Confederation had in their brilliant minds when drafting the British North America Act, 1867. I want to thank our Senate Speaker, the Honourable Noël Kinsella, for taking the lead on this.

Honourable senators, the beginning of this Second Session of the Forty-first Parliament has been difficult for all of us. I want to quote His Excellency from his Throne Speech, to remind us of our value. He said:

Parliamentarians, you gather today with the high confidence and higher expectation of Canadians. Remember that our nation has embraced a unique set of indelible qualities that must guide your deliberations in this Parliament.

It is with this in mind that we approach our work in the Senate of Canada and when we travel the country from coast to coast to listen to Canadians telling us what challenges they face and what opportunities they have.

Honourable senators, I now move to what I consider Canada to be, and by extension, what I consider this chamber to be. The Governor General said, "Consider this: we are inclusive."

Canada must be one of the most inclusive and successfully multicultural countries in the world, a country based on immigration. We have significant numbers from visible and ethnic minorities. According to Statistics Canada, we have the highest proportion of foreign-born population among G8 countries. One in every five Canadians is not born here. In addition, 13 different ethnic groups have reached or gone above the 1 million mark, and that is out of 200 ethnic groups that are identified in our mosaic.

Our duality in official languages and multiplicity in non-official languages spoken is unique in the world. This can pose challenges, but the opportunities are greater. This mosaic makes us stronger and more competitive, and because we all share our Canadian citizenship, we can use our differences to everybody's benefit.

Now look around you, colleagues. This diversity is more evident in our upper house than ever before. Let us, honourable senators, use our diversity to become stronger and better at what we do.

Honourable senators, the Governor General said, "Consider this: we are honourable."

Canadians are known to be peaceful people. We are known not to be aggressors, but we are known to be strong and unwavering when called upon. Our men and women in uniform are currently serving abroad on land, at sea and in the air, to protect the world and keep us safe from threats that are ever-present. I thank our forces for their sacrifices and for their good work. I want us to take lessons from our forces, to stand strong and united when under attack, but not to be aggressive in our pursuit for the public good.

Honourable senators, the Governor General said, "Consider this: we are selfless."

One month ago, my country of birth, the Philippines, was in dire need after a super typhoon struck. Canada was quick to respond to the call for help. Our Armed Forces' Disaster Assistance Response Team, or DART, was swiftly deployed to Roxas City, one of the affected areas. DART has become an

outstanding example of an international disaster relief force. During a visit to Roxas, UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator Valerie Amos said:

The Canadians have provided exceptional support to the humanitarian effort.... This is the most effective civil-military coordination we have ever seen at the field level and should be used as a model for future disaster response operations.

I want us to take this as an example of how senators should be selfless when we perform our duties. It is not about our individual access or aspirations. It is about working together to make Canada a better place.

Honourable senators, the Governor General said, “Consider this: we are smart.”

Foreign students from all over the world flock to our universities. One year ago, there were a quarter of a million foreign students in Canada. That is up by over 100,000 in 10 years. We are still in the top 10 countries when it comes to our children’s reading and science abilities.

I am therefore not surprised that in our upper house we find some of the finest minds collected to ensure that our laws are as strong as possible and act in the interest of the public good. The list of notable colleagues is long, and we have the intellectual muscle to put any group to shame. We have legal, academic, business and military minds that are leaders in their field. We have collective experience in leading federal departments, provinces, cities, army units, corporations, sports teams and other organizations. That is evident on both sides of this chamber. We must use this collective strength to contribute to a better institution, whether we are Progressive Conservative, Independent, Liberal or Conservative senators.

Honourable senators, the Governor General said, “Consider this: we are caring.”

Canadians are caring. I have already spoken to the charitable work that Canadians are capable of. We share the fruit of our hard work with others less fortunate, both in our neighbourhoods and abroad, through programs that show potential and do not waste resources. As late as last week, our government announced that it will provide \$650 million over three years to The Global Fund to Fight AIDS, Malaria and Tuberculosis, a fund that saves an estimated 100,000 lives every month.

Many of us are here in this very chamber because we care. We care for the welfare of our fellow citizens and we want to do our part to make life better for the public.

Honourable senators, this is public service. We may not always agree on how we achieve this, but we agree that we have an important role to play, and we do it while being inclusive, honourable, selfless, smart and caring. We do this, as called upon by our Queen, one Senate sitting at a time, one late-night

committee meeting at a time, and one speech at a time. The Honourable Leader of the Opposition may think these are platitudes, but I consider them to be values that we need to remind ourselves of and reflect upon from time to time.

• (1640)

I want all senators to think about them over Christmas, and keep them in mind when we return next year. This is what Canada is. This is what the Senate represents, and this is why we are proud to serve in this honourable chamber. Thank you.

(On motion of Senator Martin, for Senator Tkachuk, debate adjourned.)

ECONOMIC ACTION PLAN 2013 BILL, NO. 2

THIRD REPORT OF NATIONAL FINANCE COMMITTEE ON SUBJECT MATTER ADOPTED

Leave having been granted to revert to Government Business, Reports from Committees, Other, Order No. 2:

The Senate proceeded to consideration of the third report of the Standing Senate Committee on National Finance (Subject-matter of Bill C-4, A Second Act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures), tabled in the Senate on December 10, 2013.

Hon. Joseph A. Day moved the adoption of the report.

He said: Honourable senators I will just mention what this particular document is and then how it relates to the budget implementation bill. The budget implementation bill will be going to third reading tomorrow. We filed our report in relation to the clause by clause early this afternoon. Honourable senators will understand why — and I think this is good for the public record — why we received the bill for clause-by-clause consideration and were able to deal with it so quickly was because we did a pre-study, and a very extensive pre-study, and this particular report is the result of our pre-study.

Oftentimes the media and others will see the time only that we spent on something but not be aware of the pre-study, and I have had to inform a number of those who had been inquiring in the past in this regard. I think it is good to have it on the record and to pass and adopt this as a report of the Senate, because the Senate will be adopting, hopefully in due course — considering for adoption at least — the budget implementation bill. That’s why I’m moving at this stage to suggest that we adopt this particular report so it is part of the public record.

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

Hon. Senators: Agreed.

An Hon. Senator: On division.

The Hon. the Speaker: Carried, on division.

(Motion agreed to and report adopted, on division.)

THE SENATE

STATUTES REPEAL ACT—MOTION TO RESOLVE THAT THE ACT AND THE PROVISIONS OF OTHER ACTS NOT BE REPEALED ADOPTED

On the Order:

Resuming debate on the motion of the Honourable Senator Martin, seconded by the Honourable Senator Andreychuk:

That, pursuant to section 3 of the *Statutes Repeal Act*, S.C. 2008, c. 20, the Senate resolve that the Act and the provisions of the other Acts listed below, which have not come into force in the period since their adoption, not be repealed:

1. *Agricultural Marketing Programs Act*, S.C. 1997, c. 20:

-sections 44 and 45;

2. *An Act to amend the Canada Grain Act and the Agriculture and Agri-Food Administrative Monetary Penalties Act and to repeal the Grain Futures Act*, S.C. 1998, c. 22:

-subsection 1(3) and sections 5, 9, 13 to 15, 18 to 23 and 26 to 28;

3. *An Act to amend the Canadian Forces Superannuation Act and to make consequential amendments to other Acts*, S.C. 2003, c. 26:

-sections 4 and 5, subsection 13(3), section 21, subsections 26(1) to (3), sections 30, 32, 34, 36 with respect to section 81 of the Canadian Forces Superannuation Act, and sections 42 and 43;

4. *An Act to amend the Criminal Code (firearms) and the Firearms Act*, S.C. 2003, c. 8:

-sections 23, 26 to 35 and 37;

5. *An Act to implement the Agreement on Internal Trade*, S.C. 1996, c. 17:

-sections 17 and 18;

6. *Canada Grain Act*, R.S., c. G-10:

-paragraphs (d) and (e) of the definition “elevator” in section 2, and subsections 55(2) and (3);

7. *Canada Marine Act*, S.C. 1998, c. 10:

-sections 140, 178 and 185;

8. *Comprehensive Nuclear Test-Ban Treaty Implementation Act*, S.C. 1998, c. 32;

9. *Contraventions Act*, S.C. 1992, c. 47:

-paragraph 8(1)(d), sections 9, 10, 12 to 16, subsections 17(1) to (3), sections 18, 19, subsection 21(1), sections 22, 23, 25, 26, 28 to 38, 40, 41, 44 to 47, 50 to 53, 56, 57, 60 to 62, 84 with respect to sections 1, 2.1, 2.2, 3, 4, 5, 7, 7.1, 9, 10, 11, 12, 14 and 16 of the schedule, and section 85;

10. *Firearms Act*, S.C. 1995, c. 39:

-sections 37 to 53;

11. *Marine Liability Act*, S.C. 2001, c. 6:

-section 45;

12. *Modernization of Benefits and Obligations Act*, S.C. 2000, c. 12:

-sections 89, 90, subsections 107(1) and (3) and section 109;

13. *Preclearance Act*, S.C. 1999, c. 20:

-section 37;

14. *Public Sector Pension Investment Board Act*, S.C. 1999, c. 34:

-sections 155, 157, 158 and subsections 161(1) and (4);

15. *Yukon Act*, S.C. 2002, c. 7:

-sections 70 to 75, 77, subsection 117(2), sections 167, 168, 210, 211, 221, 227, 233 and 283.

Hon. Joan Fraser (Deputy Leader of the Opposition): Honourable senators, allow me first to congratulate Senator Day for his marathon performance today, and for his marathon work together with his committee over recent weeks, but today, my goodness, two speeches on supply, a speech on Bill C-4 and a speech on museums.

In terms of National Finance on the government side, they were able to divide up this heavy burden between Senator Smith and Senator Buth. That's still a heavy burden. On our side, one senator carried the whole deal. We're proud of him.

Some Hon. Senators: Hear, hear!

Senator Fraser: Turning now to the motion concerning the Statutes Repeal Act which was brought forward several years ago by our much-loved former colleague Senator Tommy Banks, we on our side, of course, are delighted to see this bill is having its impact year after year in that outmoded, unneeded, unnecessary statutes fall off the books after 10 years unless there's a good reason to keep them on the books. Every year the government brings forward its list of things it thinks, believes, should be kept on the books, and the practice has become that good explanations are provided for keeping measures on the books.

Sometimes the explanations that are provided to the government spokesman, in this case the Deputy Leader of the Government, could use some elaboration. Colleagues will recall that the other day I put some questions to Senator Martin, just wanting a bit more explanation about the items, and Senator Day also raised a question or two, quite an important question or two. Then I took the adjournment of the debate, not to block passage of this motion but to see if by any chance it would be possible for the government to come up with some answers.

It is my understanding that it has done so, and so I wonder if Senator Martin, in commenting on my wonderful speech here, would be willing to provide some of those answers for us.

Hon. Yonah Martin (Deputy Leader of the Government): Thank you, Senator Fraser. I do commend our former colleague, Senator Banks.

This is the third report, and I do have for all honourable senators, I'm happy to say, some more information to elaborate on my previous answers.

If I may, the third annual report that was tabled on January 31, 2013 in the house and in the Senate on February 7, 2013, lists, if you recall, 16 pieces of legislation involving nine departments.

I have further explanation from each of those departments, so if I may just briefly go through them, just to show you that there are very clear reasons as to why the deferral is being asked for each of these provisions and the one act.

For Aboriginal Affairs and Northern Development, the Yukon Act, section 70 to 75, I won't go into the details of each of those acts and provisions as before, but, rather, the Yukon Act acts as sort of a constitution for the Yukon, and it needs to be treated in that way. With such importance of that act, you can imagine that the timeline to work to develop the Auditor General for Yukon is dependent on the plans of the Government of Yukon, and those are things beyond the control of the government. Therefore, in essence, the deferral is required because, really, until the Government of Yukon is fully ready to move forward on these, the provisions cannot come into effect.

This is the main reason that with such importance as per the Yukon devolution agreement and the work that the Government of Canada is doing with the Yukon, that there have been discussions and there is movement forward, but we do need to wait for the Government of Yukon to act first.

I can assure all honourable senators there will continue to be ongoing discussions, and that's what our government is working towards. The timeline will depend on the results of these discussions.

Regarding the Agriculture and Agri-Food department and ministry, I'm told that further legislation amendments are possible in 2014, so there is that timeline, and it will include changes touching on the provisions of the acts that were named in the report.

• (1650)

Agriculture and Agri-Food will be considering a proposal to soon bring into force sections 44 and 45 of the Agricultural Marketing Programs Act, and these provisions will not likely be on the list of deferral requests next year. So we shall wait and see what movement happens there.

From the Finance Department, I can say that, again, the government anticipates that these provisions and other provisions of the agreement that are on the list regarding internal trade will be revisited in the near future, so we will await more progress in that regard.

With Foreign Affairs, the Comprehensive Nuclear Test-Ban Treaty Implementation Act that was listed will be brought into force as soon as the Comprehensive Nuclear Test-Ban Treaty itself comes into force.

Now, in order to bring this act into force, the treaty has to be ratified by various other jurisdictions, and the list includes the United States, China, North Korea, Iran, Egypt, Israel, Pakistan and India. The act will be brought into force once these countries have ratified the treaty, but it's very difficult for officials to predict when these ratifications will occur, as you can imagine with some of these countries that are named.

Regarding the Preclearance Act, section 37, this again is on the list because it relates to the bilateral treaty with the United States. Now, negotiations to update the agreement as part of the Beyond the Border Action Plan are currently under way. It is anticipated that a new treaty on preclearance will result from these negotiations, and section 37 of the Preclearance Act may be brought into force as part of the package of implementing legislation resulting from a new treaty with the United States. A timeline of bringing these provisions into force will depend on the results of the Beyond the Border negotiations and whether or not section 37 will be required. So I can assure all honourable senators that this measure is in negotiation at this time.

From the Justice Department, with the Contraventions Act, if you will recall, I had mentioned the three provinces that are still in discussion with the Government of Canada. Because these provinces have not yet signed the agreement like the other provinces, those agreements need to be completed, otherwise there could be discrepancies. There's continual discussion with Newfoundland and Labrador, and the officials remain confident that an agreement will be reached with them in the near future.

Saskatchewan has recently shown renewed interest in implementing the Contraventions Act. The department has been in communication with Saskatchewan to provide information on the Contraventions Act and on implementation issues for their consideration.

Discussions with Alberta have not progressed as far; there hasn't been fruitful discussion with Alberta, and the officials are saying they don't see anything happening in the foreseeable future, but I'm sure that those attempts will be made.

The department has had preliminary communication with the Northwest Territories towards implementation. The department also continues to work diligently to move forward towards getting provinces, territories and municipalities to all sign the Contraventions Act, administration and enforcement agreements. However, negotiations and progress depend largely on the priorities and capacities of these provinces. So, again, it is beyond the full control of the Government of Canada, but these efforts are ongoing.

If I may just move to the next department, National Defence. Regarding the act to amend the Canadian Forces Superannuation Act and to make consequential amendments, the Department of National Defence will undertake a comprehensive analysis of the Canadian Forces Superannuation Act and provisions related to optional survivor benefits and elective service rules. These important changes will be developed in the context of increased participation of Reserve Force members on overseas operations.

The department will continue to consult with the Treasury Board Secretariat and the RCMP to ensure that the proposed amendments are consistent with the three principal public sector pension plans.

The department intends to bring forward this legislation in 2016, along with proposed regulatory amendments, assuming there are no other significant policy changes affecting the plans and the successful implementation of the pension administration modernization initiative.

With regard to Public Safety, with respect to the Firearms Act and An Act to amend the Criminal Code (firearms) and the Firearms Act, Public Safety continues to collaborate and consult with a number of different partners and stakeholders, including other government departments, regarding the importation and exportation of firearms provisions in the Firearms Act. Officials continue to work with federal and provincial partners with a view to completing its analysis as expeditiously as possible. So I underscore the word "expeditiously," and we shall again wait and see what the report will contain in 2014.

In regard to Transport and the provision of the Marine Liability Act, certain sections and provisions may be brought into force when a sufficient number of Canada's trading partners have ratified the Hamburg Rules. To date, honourable senators, less than 3 per cent of Canada's maritime trade is with countries that have implemented the Hamburg Rule, so accordingly, deferral from repeal of section 45 is still requested.

Regarding section 140 of the Canada Marine Act, Chapter 10 would enable Canada to enter into agreements to provide ferry services. Currently, the ferry services are provided by Marine Atlantic Incorporated. As a result, there has been no need for the government to implement this provision at this time, but there still may be a need in the future. Therefore, the deferral of this section is being requested.

Transport Canada is currently developing the required orders-in-council to bring into force sections 178 and 185 of the Canada Marine Act.

Extensive consultations between the Canadian Forces and Treasury Board are still required to bring into force the provisions of the Public Sector Pension Investment Board Act. The provisions of that act amend and repeal definitions and provisions in the Canadian Forces Superannuation Act. The amendments deal with two highly technical and complex areas, namely the rationalization of the premium and benefit provisions of the lump sum life insurance program provided under Part II of the CFSA, and also all the terms and conditions related to counting prior service for pension purposes. The statutory amendments cannot be brought into force until the necessary supporting regulations are completed.

A significant amount of work had been done on the life insurance file. This work has been picked up again, but the financial analysis needs to be updated, which requires interdepartmental consultations, including with the Office of the Chief Actuary. Officials from National Defence and the Treasury Board Secretariat are currently engaged in the associated policy development, with 2016 identified as the target date for coming into force and implementation.

Senator Day and honourable senators, in regard to the question of how many provisions have been repealed as a result of the Statutes Repeal Act, to date, because of this initiative, more than 100 provisions from 35 acts have been repealed.

There is a list for this year of the provisions that have been repealed. I can quickly go through this list: An Act to amend the Criminal Code (firearms) and the Firearms Act, Statutes of Canada 2003, chapter 8, subsection 40(2) with respect to subsections 64(5) and (6) of the Firearms Act and section 51. Subsections 64(5) and (6) were time-limited provisions concerning actions prior to 2003 and are therefore no longer necessary. Section 51 was to amend section 97 of the Firearms Act. Section 97 was subsequently amended. The amendment proposed by section 51 is therefore no longer necessary.

The list does go on, and if honourable senators wish for me to continue, I can do so. I can tell you that there was quite a list of provisions repealed in 2011. I have 32, with multiple items in each of those numbers. And then there were only four provisions repealed in 2012.

So what I can say is that this act has really served a role. We can be proud as a chamber and give credit to the Honourable Senator Banks, who led this initiative.

• (1700)

I hope that this satisfies Senator Fraser, Senator Day and all honourable senators with regard to why these provisions and the act are on the list in this year's report to be deferred so that progress can continue.

The Hon. the Speaker: For greater clarity, it was my understanding that Senator Fraser's question was being asked in a rhetorical sense and therefore we were on Senator Fraser's 15 minutes. Others may have thought that we were on Senator Martin's 15 minutes. If that's the case, Senator Day has a few moments.

Senator Day: Would Senator Fraser accept a question?

Senator Fraser: I would be glad to accept a question in the knowledge that all senators would hear it.

Senator Day: I wonder if Senator Fraser would agree to have a rhetorical question posed to the honourable senator to have the documents that she just referred to tabled.

Senator Fraser: Well, you took the words right out of my mouth. I grant you that reading the whole long list of all the provisions that have been repealed might tax the patience of senators in this holiday season, but I would be very grateful,

Senator Martin, if you could table that list so that we would have the advantage of knowing what it contains. I thank you for all the other information you provided.

There are always more questions that one can ask, but you have managed to extract more information from the officials, and that is always very helpful in enabling us to understand what it is we are doing and have done. Thank you very much for that.

The Hon. the Speaker: Is leave granted for Senator Martin to table the documents?

Hon. Senators: Agreed.

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

Hon. Senators: Question.

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

(Motion agreed to.)

(The Senate adjourned until Thursday, December 12, 2013, at 1:30 p.m.)

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