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THE HONOURABLE NOËL A. KINSELLA
SPEAKER

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THE SENATE

Wednesday, January 30, 2008

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

Prayers.

SENATORS' STATEMENTS

HANNAH TAYLOR

THE LADYBUG FOUNDATION—
NATIONAL RED SCARF DAY

Hon. Rod A. A. Zimmer: Honourable senators, today I rise to acknowledge Hannah Taylor, a 12-year-old young woman who is the Founder of The Ladybug Foundation. She is in the Senate gallery today with her father, Bruce Taylor.

Most of you will remember the classic Jimmy Stewart movie, *Mr. Smith Goes to Washington*. Honourable senators, today "Ms. Taylor goes to Ottawa." Born in Winnipeg in 1996, Hannah's zest for life extends to her love of nature, dragons and all the drawings and writings that spill out from those experiences.

After a life-changing encounter with a homeless person at the age of five, Hannah is Canada's youngest advocate for the homeless. Braced with the simple truth that everyone should have a home and that no one should have to eat from a garbage can, Hannah has raised both awareness and money, and has spoken to thousands of people across Canada. In 2004, at age 8, she founded The Ladybug Foundation to support her efforts to assist registered charitable organizations in Canada that provide food, shelter and other needs of the homeless and near homeless without judgment so they can find dignity, security, hope and refuge.

• (1335)

Honourable senators, Hannah has inspired many and is at the forefront of establishing a national education project called "Make Change" that will launch in schools in 2008. This program ultimately will be available to every school-aged child in Canada, letting them experience what is within all of us to become involved and make a difference in our world.

Honourable senators, tomorrow, January 31, 2008 is the first ever National Red Scarf Day of The Ladybug Foundation, like the one I am wearing around my neck today. I will be sending you a letter tomorrow with a scarf and a bracelet to purchase and wear. The scarves are \$20 and the bracelets are \$5. The proceeds go to help Canadian hunger and homelessness.

Honourable senators, in Hannah's own words:

I saw him from far away and I felt my heart hurt just a little at first. I didn't know him, but my heart felt like it did. When I first met a real homeless person, his teeth didn't look like mine; he didn't smell like me, or dress like me. I have never been hungry, or not had a beautiful cozy bed to sleep in, but I have many friends who live most of their lives that

way. My heart was sad and broken to learn that on a cold winter day our world has homeless people that eat garbage and sleep outside. I learned from my homeless friends that when you share your heart, anything is possible and that is why I do what I do! And why we have The Ladybug Foundation.

Those are the words from Hannah's heart.

Honourable senators, Senator Roméo Dallaire is one of my heroes for his mission to eradicate child soldiers. Belinda Stronach is another hero for her cause with Africa, malaria and Spread the Nets. Jodi Adler is another hero for her work with the One X One Campaign fundraising galas for poverty. Hannah Taylor is a true child soldier of another nature, ambassador for the homeless, and today she is my new hero.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, the record should show that the honourable senators have acknowledged the presence in the gallery of Hannah Taylor, Founder of The Ladybug Foundation to help the homeless and she is accompanied by her dad, Bruce Taylor. As other distinguished guests have seen, they are very welcome, as evidenced by the applause of all honourable senators.

FOOD AND CONSUMER SAFETY ACTION PLAN

Hon. Donald H. Oliver: Honourable senators, last year saw numerous recalls of toys, food and drugs to protect consumers' safety. Frankly, running around trying to close the door after the horse is out of the barn is not good enough for the people of this nation.

Before Christmas, Prime Minister Stephen Harper fought back on behalf of Canadians when he announced the creation of the Food and Consumer Safety Action Plan. This plan will help make consumers safer by legislating tough regulation of food, health and other consumer products. It will work by preventing problems that have led to countless recalls rather than frantically reacting after the damage has been done.

• (1340)

The legislation to be introduced this year will include mandatory product recalls if firms do not act on legitimate safety concerns; making importers responsible for the safety of goods they bring into this country; increasing maximum fines to international levels, instead of the current \$5,000; and better safety information for consumers, as well as guidance for industries on how to build safety throughout supply chains.

As Mr. Harper stated:

This plan will benefit all Canadians; it will improve our safety and health; reward responsible industry players; and enhance Canada's reputation abroad as a country whose product safety standards are second to none.

Canadians need to be assured that the products they buy will be safe for their families. This plan will help us to build that assurance.

[Translation]

SUPREME COURT DECISION INVOLVING DR. HENRY MORGENTALER

RIGHT TO ABORTION—TWENTIETH ANNIVERSARY

Hon. Lucie Pépin: Honourable senators, this week marks the twentieth anniversary of the Morgentaler decision. Indeed, it was on January 28, 1988, that the Supreme Court of Canada decriminalized abortion. This historic decision gave Canadian women the freedom to control their own fertility and it blew a gust of freedom into their lives.

We can thank Dr. Morgentaler for his boldness, courage and determination. Besides him, several Canadian women were involved in this fight, including Dr. Lise Fortier, an obstetrician and gynaecologist at Notre-Dame Hospital in Montreal. Thanks to their efforts and many sacrifices, this injustice done to women has been corrected.

This twentieth anniversary is a well-deserved time of celebration. We must, however, take this opportunity to take stock. The truth is that the right to abortion remains a fragile one in Canada.

Abortion services are unevenly dispersed across Canada. Today still, women seeking to terminate a pregnancy continue to face contempt and even pressure, often from medical personnel.

Access to abortion services is already limited, and yet there are people trying to set us back 20 years by restricting a woman's ability to choose, while others simply want abortion to be made illegal again.

All this prompts us to be more vigilant. Losing this right for which several generations of Canadians, both men and women, have fought is out of the question.

As honourable senators no doubt recall, the reason that termination of pregnancy as we know it is still possible is because, in January 1991, new legislation that would have made abortion illegal was blocked in the Senate.

It is now up to us, the younger senators among us in particular, to carry the torch. We must never forget that the fight for these rights has been long and hard, but that they could be lost very quickly.

Let us celebrate fittingly, stay vigilant and look to the future.

[English]

OUTSTANDING YOUNG FARMERS PROGRAM COMPETITION

CONGRATULATIONS TO WINNERS

Hon. Elizabeth Hubley: Honourable senators, it has now been 28 years that Canada's Outstanding Young Farmers Program has been operating. This annual competition recognizes farmers that

exemplify excellence in their profession and promote the contribution of the agricultural industry. In December, the national awards dinner was held to honour the 2007 winners and honourees.

I congratulate Harry and Leony Koelen of Paisley, Ontario and Norman and Laura Shoemaker of Mossbank, Saskatchewan, who were named this year's winners. I also congratulate John and Clair Green of Springfield, P.E.I., dairy producers who were honoured as outstanding examples of the diversification of Canadian agriculture.

Canada's Outstanding Young Farmers Program celebrates the success of a new generation of farmers who are demonstrating innovation and leadership in the farming industry across Canada. I invite all honourable senators to join me in congratulating these young farmers.

NEW BRUNSWICK

BATHURST—HIGHWAY CASUALTIES INVOLVING HIGH SCHOOL BASKETBALL TEAM

Hon. Jim Munson: Honourable senators, I want to echo the statement that Senator Losier-Cool made yesterday. Perhaps we have started to forget the tragic events that touched Bathurst High School recently. Young athletes, along with their coach and his family, were returning from a basketball tournament in Moncton, New Brunswick. It was late at night, they were tired, disappointed at their loss and the weather was terrible. You know the rest. The van crashed, with a tragic loss of life.

Although my title says I am the senator for Ottawa-Rideau Canal, my roots are on the north shore of New Brunswick. Home is where the heart is. Bathurst is home to me and when I read the familiar names of those lost in the accident, my heart ached.

I grieve when I think of those boys — athletes, leaders, friends and students — tired after a late night game and perhaps disappointed that they lost, but already planning the next layup, jump shot, block or impressive dunk. What a terrible loss for the school. What a terrible loss for Bathurst.

• (1345)

I grieve for the teacher accompanying her husband's team to show support and to supervise. I grieve for the coach who has endured such a terrible loss. I hope and pray that he finds the courage and the strength to parent his child who has lost her mother. I hope and pray that he finds the courage and strength to get back to practice and dig deep to coach a team that needs him. I grieve for the teachers of Bathurst High School who dedicate themselves to preparing young people for the future. Teachers see the future in their students and to see those lives extinguished, I feel sure, creates an ache and a sense of loss that will be there forever. I hope and pray that the community will be good to itself on its journey of healing. If any community can move forward with love and support, Bathurst can. A country mourns this terrible loss and a son of New Brunswick sends his deepest sympathy.

[Translation]

ROUTINE PROCEEDINGS

INDUSTRY

USER FEE PROPOSAL FOR SPECTRUM LICENCE FEE
TABLED—REFERRED TO TRANSPORT AND
COMMUNICATIONS COMMITTEE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, pursuant to section 4 of the User Fees Act, I have the honour to table the Department of Industry user fee proposal for a spectrum licence fee for broadband public safety communications in the band 4940 to 4990 megahertz.

After consultation with the Deputy Leader of the Opposition, the Standing Senate Committee on Transport and Communications was chosen to study this document.

The Hon. the Speaker: Honourable senators, pursuant to rule 28(3.1) of the *Rules of the Senate*, the document is referred to the Standing Senate Committee on Transport and Communications.

[English]

CONFLICT OF INTEREST FOR SENATORS

REPORT PURSUANT TO RULE 104 TABLED

Hon. Serge Joyal: Honourable senators, pursuant to rule 104 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Committee on the Conflict of Interest for Senators, which outlines the expenses incurred by the committee during the First Session of the Thirty-ninth Parliament.

(For text of report, see today's Journals of the Senate, p. 465.)

[Translation]

NOTICE OF MOTION TO AUTHORIZE COMMITTEE
TO REFER PAPERS AND DOCUMENTS
FROM PREVIOUS SESSION

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

That the papers and documents received and/or produced by the Standing Committee on Conflict of Interest during the First Session of the Thirty-ninth Parliament be referred to the Standing Senate Committee on Conflict of Interest for Senators.

[English]

QUESTION PERIOD

PUBLIC WORKS AND GOVERNMENT SERVICES

DISPUTE WITH ROSDEV GROUP—INVOLVEMENT
OF EMPLOYEE OF PRIME MINISTER'S OFFICE

Hon. Jim Munson: Honourable senators, my question is for the Leader of the Government in the Senate and then for the Minister of Public Works.

We have seen a story over the last day or two about a person who deals with dossiers in the Prime Minister's Office. The story leaves us wondering why such a communications person within the PMO would have anything to do with a real estate deal between the private sector and Public Works and Government Services Canada. I am referring to Dimitri Soudas, who intervened in favour of a Montreal real estate developer currently involved in a multimillion dollar lawsuit with PWGSC over the management of two office buildings.

- (1350)

I wonder if this gives a whole new meaning to the sentiment "it's who you know in the PMO."

Hon. Michael Fortier (Minister of Public Works and Government Services): Honourable senators, I thank the honourable senator for the question.

As we know, the matter with respect to Rosdev Group and the Government of Canada has been back and forth before the courts for several years. The matter was already before the courts when we formed the government two years ago, as a matter of fact. The matter is still before the courts, so I will not comment on the litigation, as the honourable senator understandably would expect.

With respect to the file, our lawyers and government officials are ensuring that the rights of the Government of Canada are protected through the courts, and I will leave it at that. Basically, the matter was before the courts when we inherited power and when I was briefed on this file, and it is still before the courts today.

Senator Munson: Honourable senators, first, I want to thank Senator Fortier personally for the Paillé report. On the very last day before the holiday break, the honourable senator tabled the report in the chamber. If it had not been for that, we would never have known the extravagant amount the Conservative government spends on public opinion polls.

On the matter at hand, has the minister or a member of his staff ever met with Mr. Leo Housakos regarding his department's handling of the Rosdev Group's file?

Senator Fortier: Honourable senators, I have not met Mr. Housakos with respect to this matter. As a matter of fact, I have not seen him, I believe, since he cleaned my clock in Laval West in 2000. I have not spoken to Mr. Housakos about this matter at all.

Senator Munson: Senator Fortier stood up to the Prime Minister's Office on this issue and we congratulate him for that because he made the right choice.

Has anyone in the honourable senator's office met the Prime Minister's press secretary, Dimitri Soudas, who echoed the lobby of his friend and the Conservative party's bagman, the unregistered lobbyist Mr. Housakos, when doing so went against this government's own Federal Accountability Act?

Senator Fortier: Mr. Soudas indicated this morning that he had dealings with Public Works. He had an inquiry on this matter, and, in the course of normal business, inquired of Public Works about the status of the file. That is all there really is.

Senator Munson: "Integrity," "transparency" and "accountability" are words that this government has sprinkled in every speech and communicated for the last couple of years.

Did Senator Fortier ever attend a cabinet meeting in which the decision was made to appoint Mr. Housakos to the board of VIA Rail? If so, did he raise any concern over the fact that Mr. Housakos had shown poor judgment in lobbying the government without being registered?

Senator Fortier: I fully support our government's agenda, and I know the honourable senator does as well with respect to ethics and integrity.

Some honourable senators in this chamber have approached me from time to time on files, and it is normal that people have questions. I do not think the fact that people have genuine questions about an issue should shock anyone.

With respect, the honourable senator should be focusing on the result. As a reality, this matter was before the courts when I became minister, and it is still before the courts.

NATURAL RESOURCES

CANADIAN NUCLEAR SAFETY COMMISSION— DISMISSAL OF COMMISSIONER

Hon. Sharon Carstairs: Honourable senators, my question is to the Leader of the Government in the Senate. The Atomic Energy Commission makes products, including isotopes. The mandate of the Canadian Nuclear Safety Commission, an arm's-length quasi-judicial body, is the safety of nuclear reactors and the safe creation of radioactive materials. Its responsibility is to guard against a reactor meltdown, not to ensure the production of isotopes.

• (1355)

Would the honourable minister tell this chamber this afternoon why the government chose to fire Linda Keen, who fulfilled her mandate, but has yet to make AECL responsible for anything?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I thank the honourable senator for the question. The former president was clear in her testimony yesterday when she said in so many words that the health of Canadians and people from other parts of the world was of no concern to her.

We had to balance the 100 per cent chance of seriously affecting the health of Canadians. We took an action, and it was supported by Parliament. All members of the House of Commons and the Senate supported the bill and supported the government's urgent need to have the reactor up and running to produce the medical isotopes.

Members heard testimony yesterday not only from the former president but also from the Auditor General. A discussion was had with regard to AECL and its difficulties going back to the 1990s. As the Prime Minister said, there were problems on all fronts. AECL now has a new president.

However, yesterday was the first time the former president had ever publicly stated that the risk was 1,000 times higher than international standards.

In response, AECL issued a statement disputing what the former president said on several counts. AECL stated:

1. There are no international standards related to one-in-one million for fuel failures.
2. All reactors experience fuel failures from time to time and there are no safety consequences to the public, employees or the reactor.
3. No nuclear designer in the world incorporates a one-in-one million per year earthquake scenario.

The frequency for a severe earthquake at NRU is assumed to be 1 in 1000 years. For this to lead to fuel failure, the following would all have to happen in sequence:

- A severe earthquake occurs with its epicentre directly under the NRU reactor at Chalk River (there is no record of such an earthquake in the Upper Ottawa Valley);
- The provincial power grid fails;
- Back-up diesel power and battery power supplies are knocked out;
- No NRU operating staff takes any action;
- After about 0.5 hour the reactor coolant begins to boil;
- After about 1.0 hour the reactor coolant has boiled away;
- The onset of fuel failures begins.

NRU is a small research reactor operating at low temperatures and low pressure. Therefore, even in this worst-case scenario, the radiation exposure to workers is less than half the radiation exposure received from a CT Scan, and the radiation exposure to the public is less than half the radiation exposure received from a cardiovascular diagnostic treatment.

The safety of the reactor has been endorsed by the CNSC, which has licensed the reactor to operate this way for the past 50 years.

With regard to the question about the AECL, as the Auditor General stated, the operations of AECL have been pointed out by her to two past governments as well as the present government. There are now people at AECL seized with this matter. However, the important thing to remember is that the actions taken by the government and supported by Parliament were 100 per cent in the interests of the health and well-being of Canadians and other people we service around the world.

Senator Carstairs: The honourable minister is continuing what her Prime Minister did in the other House, namely, to make patently false accusations against Ms. Keen.

• (1400)

Linda Keen did not say that she had no concern about the safety of Canadians; rather, she said that the safety of Canadians was not part of her mandate. That is an entirely different issue.

It is the mandate of AECL to produce isotopes. It is not the mandate of the Canadian Nuclear Safety Commission to produce isotopes. Surely, the government can get that straight.

In addition, in his testimony in this chamber, Minister Lunn promised a full investigation. He said that it was highly unusual that he would have to bring in emergency legislation. We gave him that emergency legislation, partly on the basis of his total commitment to an investigation. However, before Mr. Lunn has even launched this investigation, let alone seen it completed, he fired Linda Keen.

How in goodness name can the Leader of the Government in the Senate explain the firing of someone who is an integral part of this process, according to the minister, before an investigation has been conducted?

Senator LeBreton: I thank the honourable senator for the question. As a matter of fact, a retired director general of the commission quoted in today's *The Globe and Mail* completely disputes the testimony of the former president.

On numerous occasions, the government did ask AECL and CNSC to work together to come to a resolution. The former president of the Canadian Nuclear Safety Commission had a number of options available to her to deal with this matter but chose not to act.

As I just mentioned, Parliament, as a whole, ultimately overruled the former president, because it was the right thing to do in the interests of the health and safety of Canadians.

The government has lost confidence in the former president's ability to fulfill her executive responsibilities, which explains why the government took the actions it did to remove her as president.

Ms. Keen still remains a full-time member of the commission and has not suffered any financial loss as a result of it.

[Senator LeBreton]

Senator Carstairs: Let me ask the honourable minister whether the scenario I am about to describe reflects the new policy of the government: If an individual has the nerve to disagree with the Conservative government, then he or she should be prepared to be fired.

Senator LeBreton: I wonder if people have heard of François Beaudoin.

The situation respecting the CNSC president was unique. Certainly, as the Prime Minister pointed out in his year-end interviews, this was not a situation that any of us wanted to be in.

Of course, honourable senators, the scenario put forth by Senator Carstairs is not true. The fact is, there was a very serious problem with regard to the production of medical isotopes. I am sure many of us have family members who would have been affected by this shortage — I know I do. I have a brother who is being treated for colon cancer.

Honourable senators, we were in danger of threatening the lives and health of Canadians. We were in danger of threatening the lives and health of people around the world to whom we ship the isotopes. The consequences would have been serious not only for Canadians and patients around the world but also for our reputation as a supplier of this vital product. The government was put in the position, backed by Parliament, of having to take unusual measures in this case. We hope we will never be put in that position again, but it is not the policy of the government to fire people who disagree with us.

PRIME MINISTER'S OFFICE

DISMISSAL OF SENIOR CIVIL SERVANTS

Hon. Yoine Goldstein: Honourable senators, this question is directed to the Honourable Senator LeBreton as Leader of the Government in the Senate.

We have just learned that the National Science Advisor, an outstanding Canadian, Arthur Carty, filling a senior civil service position that has existed since 1971, was summarily dismissed by the very neat, typical finesse trick that has become a favourite of the Prime Minister, namely, the abolition of that position. The position was abolished, obviously, because the Prime Minister still does not want to deal with scientific truths such as climate change and other such accepted positions in the expert science community.

• (1405)

We also learned yesterday that Linda Keen's firing by way of a midnight letter resulted from the fact that she was to testify the following morning with respect to the Chalk River matter and that the Prime Minister obviously did not want her to be able to do that.

Before the Leader of the Government answers this question, I draw to her attention the book called *Accountable Government: A Guide for Ministers and Secretaries of State*, to which her party purportedly subscribed, which reads, in part — and I quote:

The nature of the relationship between a Minister . . .

— and including, therefore, a Prime Minister —

... and an administrative tribunal with independent decision-making or quasi-judicial functions ...

— which was the case in this position —

... is a particularly sensitive issue. Ministers must not intervene in specific decisions of those bodies.

The only sins of the two aforementioned senior civil servants were that they refused to kowtow to the Prime Minister. Can we take it that the Prime Minister will continue to fire every civil servant who either disagrees with him or refuses to follow his dictates?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): First, the premise of the honourable senator's question is incorrect. Second, with regard to the former president of the nuclear commission, there was an action the government recommended to Parliament. Parliament supported the government.

With respect to other positions in the government, the fact is that all of these positions are subject to possible change. As a government, we have made many appointments of highly qualified individuals. The appointments secretariat and the people in the Privy Council Office are working very hard to attract qualified individuals to serve in the various positions.

As with all governments, when a government reorganizes it sometimes necessitates some positions being changed. Obviously, changes made in the structure of government will also affect the positions of people who are with those organizations. I am particularly pleased, in looking at appointments made in the public service under the Prime Minister's watch, with the number of women who have been advanced and elevated to the senior levels of the public service — something I thought the honourable senator should be congratulating us for.

Senator Goldstein: With respect, the honourable senator has not answered the question. The question was not about appointments. The question was about dismissals. The history of this government makes it clear that it will not accept legitimate disagreement from any source.

Let me give some examples. Joanne G  linas, Commissioner of the Environment and Sustainable Development, was fired in January 2007 because she publicly commented to the media about her not receiving sufficient information from the government about its made-in-Canada environmental plan.

Jack Anawak, Ambassador for Circumpolar Affairs, was fired in 2006 after his position was eliminated — a typical ploy on the part of the Prime Minister, eliminating positions and therefore eliminating people he does not like.

Karen Kraft Sloan, Ambassador for the Environment, was fired in September 2006.

Adrian Measner, President and Chief Executive Officer of the Canadian Wheat Board, was fired in December 2006 for reasons of which we are very much aware.

Yves Le Bouthillier, President of the Law Commission of Canada, was fired in 2006 by the neat ploy of eliminating his position.

Allan Amey, President of the Canada Emission Reduction Incentives Agency, which was created to oversee compliance with the Kyoto Protocol, was fired in 2006.

Bernard Shapiro, who disagreed, was forced out.

Jean-Pierre Kingsley, who disagreed, was forced out.

• (1410)

John Reid, who disagreed and, therefore, “resigned”, was forced out.

Jean-Guy Fleury, former chair of the Immigration and Refugee Board, “resigned” because he had the temerity to refuse the government's attempt to politicize the IRB. His entire advisory panel then followed.

Yves C  t   was fired. I could go on and on.

Has it become a formal position of this government that people who disagree are not entitled to freedom of speech? That is to say, they have no right to dissent and they must simply follow the line?

Before the Leader of the Government in the Senate answers that question, I ask her not to tell me what the previous government did or did not do, because if the previous government eliminated people, which it did, it did so not for reasons of dissent but for other reasons. If the honourable senator answers in that manner, I will pose another supplementary question.

Senator Comeau: He says that with a straight face.

Senator LeBreton: Honourable senators, obviously that is what happened to Fran  ois Beaudoin from the Business Development Bank of Canada.

I am familiar with the question because it was the same question that was asked yesterday in the House of Commons by Rom  o LeBlanc's son, Dominic LeBlanc, who had the temerity to get up and ask that question in the House of Commons, although he had a father who was a senator, the Speaker of the Senate and the Governor General of Canada at one time. I only point out an obvious fact.

Half the people the honourable senator mentioned on that list were not fired. For instance, the G  linas matter had nothing to do with the government. That matter involved the Auditor General and Ms. G  linas. We were happy to have her stay there. She was telling us things that we all knew about in terms of the environment.

The honourable senator answered his question in his summation. Governments come in and they change the roles and structures of certain agencies of government. This change is natural. People were in these positions, obviously, when the positions ceased to exist. However, to use the word “fired” because of disagreement is false. The honourable senator knows that.

Honourable senators, I would put the record of our treatment of public servants and the people who serve the government up against any government in the past, including the previous government with which I had experience. People are valued and public servants are valued. They perform a wonderful service for both the government and the public.

When Mr. Kingsley left, he submitted his letter of resignation. I think it is quite a leap for the honourable senator to make that suggestion about an Officer of Parliament. You can be sure that if that had been the case, it would have been a known fact. I heard both Dominic LeBlanc yesterday and the honourable senator today. If the honourable senator were to ask half the people on his list, they would join with me and say that those facts are false.

[Translation]

TREASURY BOARD

BILINGUAL SERVICES FOR TRAVELLING PUBLIC

Hon. Maria Chaput: Honourable senators, my question is for the Leader of the Government in the Senate. It concerns French-language services provided by the Royal Canadian Mounted Police to the travelling public and the urgent need to make regulations.

You may be aware of the incident involving 25-year-old Justin Bell, a Franco-Saskatchewanian teacher from Gravelbourg, Saskatchewan. He was pulled over for speeding. When he requested service in French, the conversation became heated. He filed a complaint with the Office of the Commissioner of Official Languages, but it was ruled out of order. That incident reminds me of *Doucet v. Canada*, because Mr. Bell was in a zone where French-language services are not considered compulsory.

Mr. Bell has started fundraising in Saskatchewan to bring his case to court. He needs at least \$50,000 and so far he has collected \$5,000. The court challenges program is no longer there to help him.

I would now like to quote Mr. Bell who said:

What happened to me made me question my status as a francophone in Saskatchewan. Now I am sometimes scared to ask for service in my own language. I do not want to be treated as a second class citizen. I am a full citizen.

• (1415)

Does the minister not find that this situation is yet another example of how important it is to clarify the linguistic rights of the travelling public, as the Standing Senate Committee on Official Languages recommended in a report tabled in the Senate in 2006?

Will the Leader of the Government bring this issue to the attention of the President of the Treasury Board, the Honourable Vic Toews, who chose to limit the scope of the regulations to the minimum in the case of *Doucet v. Canada* instead of addressing the entire issue, as recommended by the court?

[Senator LeBreton]

[English]

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I thank the honourable senator for the question. However, as I am not familiar with the case, I cannot comment on it specifically, but I would be happy to address the matter.

I imagine that when the honourable senator mentioned Minister Toews, she meant the Minister of Justice. Mr. Toews is no longer Minister of Justice. Minister Nicholson is now the minister.

I wanted to reiterate that in Budget 2007, we committed \$30 million in additional funding over two years to support official language minority communities and linguistic duality. On January 22, Minister Verner announced a nationwide list of projects that will benefit from this funding. The former premier of New Brunswick, Bernard Lord, is working on a report on the next phase of an action plan on official languages, which we eagerly await.

On the subject of official languages, the government is taking extra measures to improve the services of minority languages in some places in the country. With regard to the specific case, I will be happy to make an inquiry.

[Translation]

Senator Chaput: Honourable senators, the Honourable Vic Toews is President of the Treasury Board and my question has to do with an amendment to a Treasury Board regulation. That is why I mentioned his name.

[English]

Senator LeBreton: My apologies. I thought that perhaps the honourable senator referred to Mr. Toews because this was a justice matter, but I will refer it to both of them.

Hon. Joan Fraser (Acting Deputy Leader of the Opposition): Honourable senators, when the leader is doing her referrals, would she consider it appropriate to convey the view that members of language minorities are well aware that travelling is one of the areas in which it is hardest to get service? In the same way that, one prime minister once said fish swim outside humanly created zones on maps, travellers travel and they take their minority language needs with them.

I hope the minister would agree that, far from regulating down, we should be regulating up in this area. We should be intensifying our requirements for full minority language service for the travelling public everywhere: in airports, from airlines and from all manifestations of the Government of Canada, including the RCMP.

Senator LeBreton: I thank the honourable senator for the question. Obviously, the situation as described is quite true and particularly prevalent with the travelling public. However, I do not think one should assume we are regulating down. We have put in place \$30 million of additional funding. I cannot imagine that the government, after providing \$30 million of additional funding for these communities, would then reduce the services.

• (1420)

[Translation]

DELAYED ANSWER TO ORAL QUESTION

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour of presenting a delayed answer to a question raised on November 28, 2007, by Senator Sibbeston, concerning national parks.

THE ENVIRONMENT

NATIONAL PARKS— BOUNDARIES OF NAHANNI NATIONAL PARK

(Response to question raised by Hon. Nick G. Sibbeston on November 28, 2007)

On November 21st, the Minister of the Environment announced the withdrawal of millions of acres around the East Arm of Great Slave Lake and the Ramparts River Wetlands, one example of our government's commitment to protecting Canada's north. Parks Canada continues to work with the Dehcho First Nations on the expansion of Nahanni National Park Reserve. There have been two rounds of consultation in the communities, the first in July 2006 and the second in October and November 2007. A variety of studies were completed during the past few years, including the Mineral and Energy Resource Assessment (MERA) that was done by the Geological Survey of Canada, part of Natural Resources Canada. This was the most detailed and comprehensive of any MERA done for a national park in the north.

The latest round of consultations in October and November included public meetings in five places: Nahanni Butte, Fort Liard and Fort Simpson in the Dehcho Region, Yellowknife, NWT and here in Ottawa. At these meetings, Parks Canada, Natural Resources Canada and Indian and Northern Affairs Canada presented the results of the research programs, including the results of the MERA, along with three options for expanded boundaries for Nahanni National Park Reserve.

The results of the MERA were incorporated into the development of the boundary options, as the information was made available to Parks Canada and Dehcho First Nations researchers while the final MERA report was being prepared for publication. MERA results — in the form of maps of mineral and oil and gas potential — were shown at these meetings, and a geologist from the Geological Survey of Canada made a presentation, explained what the maps meant and answered questions from the public. In November, following the public meetings, Parks Canada and the geologist met with most of the mining companies that had interests in the area and again presented the MERA mineral potential maps and discussed what the results meant.

The Geological Survey of Canada has a process to publish the results of the MERA. This process involves the publication of the MERA Open File Report, which includes the report itself, several related papers and all the supporting

data. There have been two MERA Open File Reports for the Nahanni area. The first, published in 2003, was for three parts of the area of interest and the second, published November 19, 2007, covered the entire Greater Nahanni Ecosystem. Information from both Open Files was included in the public consultation program. This has allowed for the mineral and oil and gas potential of the Nahanni area to be considered before a final recommendation is made with respect to the expanded boundaries of the national park reserve.

For almost forty years, previous governments talked and talked about protecting this land but did nothing about it. This Government is delivering real action for Canadians by working hard to protect our natural heritage. The expansion of Nahanni National Park Reserve will ensure that all its wonders will be protected so future generations can enjoy and appreciate them.

[English]

ORDERS OF THE DAY

BUSINESS DEVELOPMENT BANK OF CANADA ACT

BILL TO AMEND—SECOND READING— DEBATE ADJOURNED

Hon. Jeremiah S. Grafstein moved second reading of Bill S-226, An Act to amend the Business Development Bank of Canada Act (municipal infrastructure bonds) and to make a consequential amendment to another Act.—*(Honourable Senator Grafstein)*

He said: Honourable senators, with the current markets and the economy increasingly choppy and unpredictable, the time has come to confront a monumental economic and political task — a coherent rationale for urban infrastructure renewal and modernization of our cities.

Not since the end of World War II, when federal, provincial and municipal governments all recognized, each in their own spheres, the pressing necessity to revamp and modernize our urban infrastructure, has the need been greater. A recent, rather searing report from the Federation of Canadian Municipalities titled, *Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure*, outlines the staggering cost estimates for decaying urban road works, transitways, waterworks, garbage incineration and better waste management across Canada, all in need of instant renovation, all requiring reinvestment and modernization for our burgeoning cities.

As our cities grow, the nature of Canada's economic activity is changing. Services shaped, honed and polished in our cities are overtaking the older manufacturing jobs as growth factors in our economic growth. The aging city infrastructure contributes to the loss of jobs, especially manufacturing jobs. In my city of Toronto, we have lost over 12,000 manufacturing jobs in recent years. We must reverse this slide in manufacturing value-added jobs not only in our cities but also across Canada.

If honourable senators are interested in the nature of national economies and their direct relationship to cities, read any recent book on economic history: *The Rise of the Trading State: Commerce and Conquest in the Modern World*, by Richard Rosecrance; *The Age of Extremes: The Short Twentieth Century*, by the outstanding English economist Eric Hobsbawm; *The Wealth and Poverty of Nations*, by David Landis, to name just a few. Or meander, if you will, through John Kenneth Galbraith's economic nostrums and, of course, re-read Jane Jacobs' on *Cities and the Wealth of Nations* and you will find common agreement in all of these books.

As Jane Jacobs, who lived in Toronto and passed away recently, noted in her classic work, *Cities and the Wealth of Nations*, our cities serve as both engines of growth and creativity. One cannot divorce the nation's economic growth from the economic growth of our cities. The two are attached like Siamese twins. Cities propel our economic growth in all regions of the country. Value-added products and services are tested and marketed in our cities. New cultural products are created and distributed from our city centres and exported around the world.

Regretfully, our cities are now clogging our productivity. The inefficiencies in our urban landscape contribute to the lagging productivity per worker, which is currently about 15 to 20 per cent less than our American counterparts, making our goods and services less competitive in the North American and in global markets.

The 2007 report of Ontario's Institute for Competitiveness and Prosperity, which compared our per capita GDP for workers to that in comparable states in the United States, showed that the range of productivity in the U.S. was higher by \$20,000 per worker in three states; \$14,000 per worker in 14 states; and \$1,000 per worker even in Michigan, which has suffered a devastating economic turnaround.

Productivity depends on speed and cost effectiveness. Each time a Canadian travels to work or within our cities to pursue their work and they are met with gridlock, our productivity goes down. A study last week noted that Canadian workers now spend 10 days a year commuting to cities. In Toronto, it is 12 days a year — a day a month — which is totally unacceptable. Certainly, working in any city in Canada today is less healthy because of increased pollution directly due to increasing traffic gridlocks and road jams.

Our expressways are misnamed. Rather than expressways, they should be called "moving parking lots." Traffic slowdown contributes to pollution from cars and trucks, old and new, forced to idle on our streets and highways. The increased costs to business and workers because of increased fuel consumption and time lost are measurable inefficiencies that we have allowed to inflate and fester within our cities.

Residents of Canadian cities pay a higher percentage of real estate taxes for local services than do residents of comparable American cities. As Senator Art Eggleton, a distinguished former mayor of Toronto, pointed out recently in the Senate, over 50 per cent of local revenue for our cities is real estate tax based compared to the United States, where it is about half as much, at around 25 per cent; and next year that ratio will be higher.

Our cities, some of which have failed to keep up with capital reinvestment and renovations, demand more help by way of transfer of tax points from the federal government. Let us see what that means. The federal government raises the taxes and the cities spend it. This should raise in the minds of senators the question of responsible governance.

There are varying degrees of accountability in this method and questions about clarity and transparency for taxpayers in order that taxpayers can decide whether their money is properly spent. Yet, municipal governments now estimate that at least \$125 billion will be necessary to renovate old, decaying infrastructure, some 70 or more years old, such as Toronto's water system.

A recent report in my city of Toronto noted that the failure to renovate Toronto's water system, or to keep up with modernization, results in up to one third of water lost due to old and leaking piping. How inefficient. Residents pay for 100 per cent of the water, but they do not get delivery of one third of it.

Meanwhile, more and more citizens from rural areas crowd into our cities. The urban-rural split is intensifying, not only here but also around the world.

The current federal government's response is more episodic handouts. It is difficult to get these numbers, and I hope these are correct. The current federal government plans on \$33 billion of episodic handouts for all the cities of Canada for all purposes over seven years for fixing our trade arteries, gateways and border corridors. That is \$1,000 for each Canadian over seven years. That is not nearly enough in the overall scheme of things. The cities estimate that the total need is not \$125 billion but \$230 billion in the next few years, if one includes renovations of existing infrastructure projects and new and expanded infrastructure projects.

When confronted by the imperative choice of modernization or minginess after World War II, the federal government led by building the St. Lawrence Seaway and the Trans-Canada Highway. The provinces built province-wide expressways to line up with the Trans-Canada Highway and new commuter rail links and subways to link up and overlap our aging rail lines' rights-of-way. In the 1950s, Canada was put on a moving escalator towards modernization.

Some cities have done better than others in managing their scarce economic resources. Some cities have not been profligate. Some have a high respect for each and every taxpayer's dollar. These well-managed cities should be rewarded and not penalized.

What to do? We can learn from some best practices from our American neighbours. There, municipal tax-exempt bonds have become one significant building block in the foundation of urban renewal and modernization.

• (1430)

Financing, otherwise not available or affordable on urban projects with revenue streams such as mass transit, waste management, drinking water systems, expressways and bridges, can be obtained from the private market provided by individual investors.

Studies in the United States show that, for every \$1.00 of tax-exempt bonds, 67 cents goes for re-investment in municipalities. The other 33 cents goes to the tax-exempt bondholder. Interest costs in the market will vary based on each urban project's cost and revenues, as well as that city's track record of cost-efficient management and construction management.

A recent report in the U.S. press notes that U.S. municipal bonds have become "great value," rivalling the market for U.S. T-bills with slightly more attractive rates.

Bill S-226 would allow average Canadian workers and families, desperately looking for relatively secure investments to replace the loss of income trusts and other financial instruments, to receive a relatively secure and attractive rate of return.

The bill's framework is simple. The Canada Business Development Bank Act would be amended, reducing the cost of the new institution, to be cited as the Urban Modernization and Business Development Bank, to act as a vehicle of bank-style due diligence, approvals and construction oversight. Cities would apply with a cost-effective plan for each renewal project to the Urban Modernization and Business Development Bank. Each project would be considered by the bank, after having been first approved by the province, since municipalities are creatures of the province. Therefore, the bank could only review projects after the province has approved them. If approved by the bank, the exempt bond rate would, if and when set, obviously, vary from project to project and city to city, based on the market's estimate of each projected revenue stream and, of course, the infrastructure management track record of construction supervision and revenue management of each city.

In the United States, at the end of 2005, there were in excess of \$2.2 trillion of American municipal bonds in their marketplace. Comparing Canada, at one tenth the size, there could be available in the market in excess of \$200 billion from pools of Canadian investment by Canadian investors to satisfy our made-in-Canada urban needs.

Canada's urban infrastructure continues to age rapidly. According to Statistics Canada, Canada's waste management treatment systems have already used up 63 per cent of their service life; roads and highways, 59 per cent; sewer systems, 52 per cent; and bridges, 49 per cent. Bridge repair and replacement is becoming a necessity of safety and security. These figures are only mean averages. In many instances, the situation from city to city and project to project is worse. Just this summer, bridges were reported to be falling apart in Canada.

In New York City, in the 1930s, there arose a consensus for bridge construction, and it was financed by toll bridges and tunnels leading into Manhattan — and it works to this day.

While the Federation of Canadian Municipalities projects up to \$125 billion for renovating existing aging infrastructure, another \$115 billion is still required for new infrastructure needs. This plan puts the onus where it should be, namely, on each municipal government to come up with carefully costed and revenue-projected investments over certain time periods. The benefit to cities is clear.

Cities will be able to plan and time their plans more cost effectively for long-term projects that will be fully funded, from the outset, based on a market interest rate set and determined by each city's record of economic management. This will herald a rebalancing of responsible, accountable government, where government spending is the government that is taxed, so that voters and taxpayers can more clearly judge the effectiveness of their public officials.

The federal government will forego tax-exempt revenue from these bonds, but it will be much less than under current plans for grants that never seem to start on time and have no comprehensive means of cost accountability. I will not criticize existing programs. We need those programs; this plan is not a substitute but an additional tool. There will be ample room for existing and future federal grants to ameliorate problems in the cities that do not have a sustainable, ample or viable revenue base or those that need extraordinary and supplemental grants by way of investment in the national interest. In that way, the federal government's direct investments, together with the provinces, will be able to better focus on areas of great need such as poverty, which should be a pressing concern of every level of government; or matters of pressing national interest.

Let history be our guide.

There were city states before nation states. Commerce, manufacturing and markets resided in cities, which acted as liberating gateways to freedom and trade. As cities grew as modes of attraction, manufacturing and markets, wealth increased. As great cities like Rome declined, new city engines of growth arose to take up the new opportunities for growth by productivity and ingenuity. The rise of nations — the rise of Canada — can be directly related and traced to the rise of productive and innovative cities.

Honourable senators, the bill before us is not a panacea for all that ails our cities. Bill S-226 is but a new and additional tool available to those cities that wish to respond quickly and sustainably to their pressing economic needs. Cities need reinvestment in their capital plants. There are many other new and additional ways to obtain that reinvestment. Time does not allow us to make that fulsome analysis.

This bill does not impede or change any existing federal plan or program for our cities, as I have said. That would be irresponsible. However, Bill S-226 will provide another sound, rational, transparent and accountable economic and sustainable building-block for modernizing our cities, while respecting the taxpayers' dollars, improving economic efficiency and productivity, and improving the health in our cities and of its citizens. Modern cities can be healthier cities. In the long run, healthier cities are more productive, will produce more tax revenues and will reduce health costs.

Finally, I urge all senators interested in economics and economic growth to read a recent book by James Buchan, entitled *Capital of the Mind: How Edinburgh Changed the World*. In the 17th century, Edinburgh, a small city of 40,000, decided to change from "a sink of abomination" and transform itself into the "Athens" of Great Britain and the then-existing Western world. How did this small town in the northern part of the British Isles do this? The city fathers decided that it would attract the best

minds, philosophers, economists, teachers, artisans, workers, artists and scientists. In the process, Edinburgh overtook Paris, then the leading capital of Europe, in every area of arts, crafts and science. Therein, honourable senators, lies the lesson for civic leaders who fail to lead and inspire their own citizenry and cities to reach for greatness, ingenuity and modernization.

All Canada's cities should become "Capitals of the Mind."

Honourable senators, now is the time to propel Canada's cities into the 21st century to compete with the new and exciting cities being built around the globe.

I urge speedy approval on second reading of this bill so that a committee of the Senate can hold hearings to gauge carefully the cost benefits of this bill and these representations I have made in support of these measures.

Hon. Lowell Murray: Honourable senators, I have a question that I would like to put to the honourable senator.

The Hon. the Speaker *pro tempore*: Would you take a question, Senator Grafstein?

Senator Grafstein: Yes.

Senator Murray: I hope I have accepted the invitation the honourable senator proffered earlier for some of us to attend at his office for the reception he is hosting in honour of Senator Fitzpatrick, our retiring colleague. The reception is a good cause, but, more than that, I would never want to miss an opportunity to have a drink at Senator Grafstein's expense.

• (1440)

With regard to this bill, his peroration almost carried me away as one who loves Edinburgh and appreciates the history he has recounted to us. However, I am not aware that the progress Edinburgh made at the time was made because of tax-exempt municipal bonds.

The honourable senator's heart is in the right place in terms of the need for investment and infrastructure. However, he knows, as we all do, that successive federal governments have resisted the idea of tax-exempt bonds of this kind for various reasons, including the pressure it would put on the fisc. I am sure that his bill will be greeted by the same resistance from the federal government and, in particular, the federal Department of Finance.

I look forward to hearing the exchange between Senator Grafstein and those officials, or perhaps ministers, who will appear if his bill gets second reading and goes to committee. His bill, would not even give the right to the minister, but, rather, to the Business Development Bank, to grant an income tax exemption under certain conditions.

How will the honourable senator answer the objection that will be made that this is taking fiscal policy away from a minister and away from Parliament and putting it in the hands of an independent autonomous body like the Business Development Bank of Canada? How will he answer the other objections that will be raised by the Minister of Finance as they have been raised by all of the minister's predecessors?

Senator Grafstein: These are questions I anticipate now and in committee and I hope I will be able to respond to all of the arguments of the honourable senator.

Before I respond, I wish to extend an invitation. I am hosting an event for our great colleague Senator Fitzpatrick today in my office. I urge all honourable senators, including staff, to attend when the Senate adjourns. I also wish to correct the record. At least part of the wine will not be provided by me, but will come from a vineyard that happens to come from our colleague's home in British Columbia. I will supply part of the wine, but most will come from those vineyards and it will be the best of the best.

Related to the question, this is an antique argument.

Some Hon. Senators: Oh, oh.

Senator Grafstein: It is an antique, but valuable, renewable and sustainable argument. That is, first, dealing with three parts of the honourable senator's question.

Regarding fiscal responsibility, it is true that in the bill, the bank will approve projects. However, the government can still establish guidelines through regulations and, in that way, have direct and indirect control of the quantum and the timing. That can be in the regulations.

I have no problem with the argument that we need to have fiscal accountability. I accept that. However, having said that, there is another check and balance here; that is, each province. Ultimately, this does not incur more cost to the federal government except the lack of new revenue and I will discuss the numbers in that regard.

As an example, the City of Toronto applies for a 10-year waterworks program. They go into the marketplace and the market may or may not accept it. They develop their projections, although in some instances they will not do so. However, the rates will be much lower than what they would otherwise receive because of the tax exemption.

Assume \$100 billion is the cost, and that is modest. I expect it will be more but at least that. This is three times the amount in one year that the federal government is promising over seven years as a funding target.

Let us examine the cost of that \$100 billion to the federal treasury. I have looked at the numbers on this. If the rate is 5 per cent, half of that will be tax exempt which is \$2.5 billion based on \$100-billion investment. The leverage would be fantastic.

Senator Eggleton and Senator Campbell have admonished me on this subject. They said they are interested in the idea but do not want to impede the existing programs. This will not do that. If we have \$2.5 billion a year to trigger \$100 billion a year, the federal treasury will get that back many more times through income tax because of reinvestment.

I have done the analysis on this, but there is a more interesting thing which is the appetite of the Canadian public. Do we want the Canadian public to become involved?

There was a recent article relating to the United States in *USA Today* on January 2, 2008. The headline was “Municipal bonds become ‘a great value.’” This article demonstrates that people stretching and searching for secure investments following the sub-prime business in the United States are reacting. They are finding a secure place to rest their money and are prepared to accept a rate of return that is more attractive than T-bills, but at the same time they feel it is as secure as T-bills.

From a security, leverage, market and a reinvestment standpoint, this is a good idea. I am prepared to deal with department officials on this subject.

I will conclude with some advice I received from Mr. Trudeau once. He said, “Senator Grafstein, you have a problem and you have to address this if you want to be a good senator.” He said, “You have good ideas and whenever you have a good idea remember this: Instantaneously, there will be a coalition of the ‘antis’ and your job is to persuade them that your good idea is better than their antithetical ideas.”

Senator Murray: At the risk of being among the “antis,” and to close, I ask: What is the honourable senator’s answer to the argument positing distortions in the financial market as we all run to invest in these tax-exempt municipal bonds? Second, the honourable senator says that he has done some analysis. If it is in a shape to let us see it, as I trust it will be, I would hope that by the time this bill goes to committee he might let us have the benefit of such documentation as is available and that he can share that with us.

Senator Grafstein: I would hope that if we can get this matter to committee quickly, we will have a spirited discussion. I hope that the committee that is seized with this bill would call bankers, mayors and officials from the treasury. I have tested this idea amongst a number of treasurers of individual cities who are bureaucrats. That was done confidentially, but I asked if this would help them with their current fiscal responsibilities and needs. They all agreed it would be a useful tool. Some said they could not use it because their city is already stretched and overextended on bonds. Others said yes because they have been responsible.

Those cities that have been fiscally responsible should be given the additional tools to do the job they want to do. I will have to meet those challenges in committee, I agree, but this has been a labour of love for the better part of half a decade.

• (1450)

Though I may meet with objections from many senators in this room, I want to confront the issue that I do not believe in the thesis that a city comes to Ottawa, asks for money and then runs away and comes back a year later to ask for more without any comprehensive, understandable, clear responsibility to the taxpayer. Other honourable senators will disagree with this and say there is good accountability for the city dossier. However, I find it difficult to defend and others might find it difficult as well.

I believe in responsible government. I believe that if a government taxes, then that government should be responsible for every single dollar it raises. To my mind, this is, in a way, an improvement on accountability. It makes the cities a touch more accountable for their responsibilities and our split responsibilities of government.

It is not a complete answer, senator, but I hope I will be able to respond more fully at committee. I know the Department of Finance will address this subject. I welcome the challenge.

Hon. Mira Spivak: Honourable senators, Senator Grafstein is on overdrive with new ideas and I compliment him. The more difficult task is not to get people to accept his ideas, but to get over the hurdle of the “antis” that exist here.

I have two questions. Let me preface the first one by saying that I live in Winnipeg, which has a terrible problem of core area nondevelopment and urban sprawl. Would the honourable senator indicate whether in his analysis of American cities, although it is not exactly germane, in cities like Portland and others that are models, have municipal bonds been a major factor in what they have done? Money and good financing is not enough; one also needs smart ways to develop cities.

My second question is this: How does the honourable senator define the risk of those bonds as compared to income trusts? Is it a comparable kind of thing, or is there more or less risk?

Senator Grafstein: First, another argument against my argument has been that one should not compare Canadian cities to American cities; many American cities are horribly worse than Canadian cities. I agree with that; that is not my point. There are a number of model cities in the United States — Portland is a good example, as is Seattle — but in every city of the United States, municipal bonds are a fact of life.

I have not done this comparison, but I am sure that bond rates in the better managed cities are lower by many basis points than those that are not well managed. The risk and the rate will be determined by the market, project by project.

Let me talk again about my home city of Toronto. I have been involved in city politics as long as I have been involved in federal politics. It is part of the love of my life to see my city grow and prosper.

We have had a big debate in Toronto about subways. One of my first great mentors — I will not say this to my Liberal friends — was Fred Gardiner, the first mayor of Metro Toronto. He said, “Let’s build it and get it done.” He was the one, along with others, who started the subway system in Toronto. Since that time, we have had varying degrees of leadership — some said, “Let’s do it,” others said, “Let’s not do it;” meanwhile, subway construction has fallen behind.

If we had a plan that allowed the city fathers to say we can now build out a subway system across Toronto two kilometres a year for the next 20 years and here is the sustainable, separate funding for this purpose, I am sure we would have faster and better mass transit in my city than under the current system of stop and start. It is easier to make a 10-year plan than a 2-year plan and worry if you will have the money at the end of two years. It is just common sense.

We build large developments in the city because at the beginning of the construction, there is a commitment to build it out. This important element of planning is missing, based on the current thesis that we do not know at this moment if or when the federal government will come up with the cash they have promised. No one knows; no one can tell us.

The government side cannot tell us this. We have asked this question. For instance, we have promised a link from the airport to downtown Toronto, which would relieve the highways in Toronto. It has been promised six times. It is still not there and the right of way is there. This is because when you go and look at the problem, they have not funded the thing. My view is if they want to build a link that would relieve the highway traffic into Toronto, they could get a bond that would allow them to do it in the next five years.

It would be easy to do, and that would take tremendous pressure off the Gardiner Expressway and the 401, which is not a highway anymore. We do not have highways in Toronto anymore; we have moving parking lots. I just say to honourable senators that rational planning makes sense and this is rational planning.

Senator Spivak: I congratulate the honourable senator, but I suggest one more thing he should do with these wonderful ideas, which is to figure out how to get enlightened leadership in the cities. In my city just recently, a light rail transportation idea was never followed through because of, frankly, stupidity. Perhaps Senator Grafstein could figure that out.

Senator Grafstein: Read *Capital of the Mind*.

On motion of Senator Comeau, debate adjourned.

NON-SMOKERS' HEALTH ACT

BILL TO AMEND—SECOND READING— DEBATE ADJOURNED

Hon. Mac Harb moved second reading of Bill S-223, An Act to amend the Non-smokers' Health Act.—(*Honourable Senator Harb*)

He said: This particular bill appears, in one way or another, for the third time before the Senate. The first time it came before the Senate in the form of a motion which called on the government to enact legislation to declare Canada a smoke-free country. The motion was discussed and was unanimously adopted and moved to the other House, where it sat for a long period of time.

Following that, I concluded that perhaps what needed to happen was to introduce a new mechanism that could force the hand of the government to take action. Therefore, I introduced a bill, along with my colleague Senator Keon, which will make it possible for Canada to be declared a smoke-free country. What we are talking about here is an amendment to the existing legislation, which would allow Canada to fulfil its commitment as a signatory to a World Health Organization treaty in 2004. At that time, more than 140 countries signed the agreement and, to date, 146 countries have ratified the WHO Framework Convention on Tobacco Control, FCTC. Article 8 of the WHO FCTC requires governments to protect workers and the public from second-hand smoke in areas under its jurisdiction.

There have been a number of positive actions since 2004. I commend the ministers in both the previous Liberal government and the present government for the leadership that they have

demonstrated. When the issue was raised in the Senate, the Leader of the Government in the Senate undertook to bring it to the attention of the government, and I believe she did so.

• (1500)

We have seen action taken to deal with second-hand smoke in Canada's prisons. As well, the Minister of Labour has ordered a study on the issue of second-hand smoke. The findings from the study were made public in a report that clearly stated that great harm is caused by the existence of rooms where employees or workers can smoke. The effect of second-hand smoke is negative on the health of Canadians. The minister was so alarmed by the findings in the report that he decided to take action, which was a positive thing to do.

However, I find it problematic that the action the minister decided to take was to change the regulation that supports the existing legislation. Honourable senators, it is fine and normal to change regulations as long as they fit within the spirit of the legislation. However, the action becomes problematic when the regulation is changed to the point where it no longer fits within the scope of the legislation.

Honourable senators, although the minister's actions were within the scope of the legislation, he did not change the regulations to the point that second-hand smoke would be removed permanently from the workplace. The minister's actions did everything but eliminate second-hand smoke from the workplace in certain areas. Those areas include places where living accommodations are part of a workplace such as nursing homes, as well as single occupancy workplaces such as cars and trucks. Why did the minister not go all the way with the changes? I asked him but, try as I might, I could not persuade his team to take it further and completely eliminate areas of potential harm from second-hand smoke. I hope that, at a time in the near future, we will be able to achieve our objective in one way or another.

If the minister were to be proactive and declare all indoor workplaces and public places 100-per-cent smoke-free, then we would be in compliance with our international obligation, which, at only 95 per cent, we have not yet fulfilled. To fulfill our obligation 100 per cent, we must eliminate the potential harm caused by second-hand smoke. The majority of provincial governments have taken action to deal with those issues. Every province that has dealt with the issue has met their obligations.

It is time to deal with federal jurisdictions, and so the bill is back before the Senate. The Senate can show leadership, moral persuasion and authority in its traditional role by doing what is right — take action to shut down any potential source of harm that might come from second-hand smoke.

One might ask why this action was not taken because it carries no political fallout. We are dealing with a few nursing homes here and there and I will go to those nursing homes and explain that although it might be painful in the short term, it will be healthy and good for people in the long term. It is good medicine to ensure that Canada fulfills its international obligation so that we can say honestly that we not only ratified the treaty but also introduced proposed legislation to ensure that we fulfill our commitment. It is my hope that this bill will pass as quickly as possible so that it may go to the other place soon.

Honourable senators, the Senate will adopt those bills, unanimously in some instances and on division in others, and send them to the other place for consideration. It is so tragic that we work so hard in this place with our committees studying Senate bills and examining issues both here in Ottawa and across the country, only to watch the bills die on the Order Paper. For a senator to have his or her bill heard, debated and referred to committee in the House of Commons, a senator must find a member of the House of Commons who is willing to give up his or her position on the list of precedents. If that member has a bill pending, then that member must give it up to introduce a bill in the other place that has come from the Senate.

Do you think that is fair, honourable senators? It is not fair. The Senate needs to consider this issue because there seems to be discrimination in terms of the treatment of bills going from the Senate to the House of Commons versus bills coming from the House of Commons to the Senate. When a private member's bill comes from the House of Commons to the Senate, any senator on either side of the Senate can rise and introduce the bill in the Senate. The bill then receives due and proper process, but it does not happen when it is the other way around. That is not fair, honourable senators. What should be good for the horse should be good for the donkey. We have to treat both animals in the same fashion because we are in the same barn.

• (1510)

Honourable senators, I served in the House of Commons for close to 16 years. I want to send a very strong signal to the government and the House of Commons that, over the next 12 to 24 months, unless there are some changes to the standing order in the other House to allow bills from the Senate to go to the House of Commons and pass or have the due process, as we do with their bills, I want to start being proactive and try to create some headaches for my colleagues in the House of Commons and, for that matter, for the House leaders in the House of Commons. They have to take action to ensure that there is fairness of treatment between both Houses. Otherwise, why do I and my colleagues work so hard on good, legitimate pieces of legislation that we send there, only to have them sit on their seats, indefinitely if they choose so, without taking proper action?

Honourable senators, it is my hope that this bill will go through as quickly as possible. It is my hope that the minister, with his strong and dedicated commitment and leadership, will take the proper action and will stand up in the House of Commons and adopt this bill as a government bill and let it go through the House of Commons unanimously as it did in the past with the motion from this place.

On motion of Senator Keon, debate adjourned.

BANKRUPTCY AND INSOLVENCY ACT

BILL TO AMEND—SECOND READING— ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Goldstein, seconded by the Honourable Senator Chaput, for the second reading of Bill S-205, An Act to amend the Bankruptcy and Insolvency Act (student loans).—(*Honourable Senator Comeau*)

Hon. Yoine Goldstein: Honourable senators, this will be the tenth day the item has been on the Order Paper. In another five, it will fall off. May I ask when the government proposes to address this bill? I ask the question because I do not wish to see the item fall off the Order Paper. I will move for the bill to be referred to the appropriate committee next week unless I know for sure that the government will be addressing it before it falls off the Order Paper.

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, this side has absolutely no intention whatsoever of seeing any senator's bill in this chamber fall from the Order Paper. As a matter of fact, yesterday, we were getting close to the fall-off date for an item standing in the name of one of our colleagues, Senator Watt, and I rose to ensure that did not happen. Trust me on this: We on our side will not in any way allow a bill to suddenly or accidentally fall off if we can help it.

Senator Goldstein: Honourable senators, I trust Senator Comeau implicitly. I always have.

Senator Comeau: Thank you.

Order stands.

INCOME TAX ACT EXCISE TAX ACT

BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Watt, seconded by the Honourable Senator Cordy, for the second reading of Bill S-214, An Act to amend the Income Tax Act and the Excise Tax Act (tax relief for Nunavik).—(*Honourable Senator Comeau*)

The Hon. the Speaker: It has been brought to my attention that when this bill was called yesterday, Senator Comeau's intention had been to adjourn debate in his name. I understood that he was continuing the adjournment in his name, so I called "stood" rather than putting an adjournment motion to the house. In light of this clarification, it is appropriate to now put an adjournment motion formally. I will call upon Senator Comeau to so do.

On motion of Senator Comeau, debate adjourned.

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

SECOND REPORT OF COMMITTEE— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Keon, seconded by the Honourable Senator Segal, for the adoption of the second report of the Standing Committee on Rules, Procedures and the Rights of Parliament (amendments to the *Rules of the Senate*—reinstatement of bills from the previous session of the same Parliament), presented in the Senate on November 20, 2007.—(*Honourable Senator Cools*)

Hon. Joan Fraser (Acting Deputy Leader of the Opposition): With your kind indulgence, honourable senators, this item stands adjourned in the name of Senator Cools, and I would assume that it would continue to stand in her name after I have made just a few comments about it.

I support this report from the Standing Committee on Rules, Procedures and the Rights of Parliament, and I will say briefly why and also respond to some concerns that have been raised by, notably, Senator Cools.

Basically, this report would enable us to join perhaps the 20th century, if not the 21st, in the way we handle bills that have come before us and that for one reason or another have been interrupted by prorogation, and only by prorogation. This change to the rules would not apply to bills that die because a Parliament is dissolved. It would apply only to bills that fall from the Order Paper because of prorogation.

We all know how often, in every session, we have to start all over again, contemplating bills that have already been accepted, often at first reading, second reading, committee study, and third reading by the Senate. We have to start the whole procedure all over again, and sometimes we have to do it as many as five or six times. For example, I think of Senator Spivak and her noble efforts with some of her private bills, and I think of Senator Lapointe and numerous other senators, including Senator Bryden, who faithfully, session after session, have brought back a bill that has already been studied, debated, and accepted in this place.

In the House of Commons, they have a procedure whereby bills can be reinstated at the stage where the bills were at the time of dissolution. That is what this motion would allow us to do here.

The Rules Committee took this subject very seriously and built in a number of very important safeguards to the recommendations that it made. Reinstatement of bills in the Senate would in no way be automatic. There would not be a great big basket motion to bring back all bills or anything like that. Each bill to be reinstated would have to be the subject of a separate reinstatement motion, one reinstatement motion per bill. That motion for reinstatement would be debatable and therefore obviously votable. If the Senate had changed its collective mind since prorogation, the Senate could decide not to proceed with the bill.

If the Senate decided to proceed with the bill, the bill would be reinstated at the point where it was in the previous session of Parliament. If it was at second reading, it would continue to be at second reading. If it had gone to a committee and was still in committee, it would be sent back to that committee. If it had come back from the committee and was at report stage, it would be reinstated at report stage. If it were at third reading stage, it would be reinstated at third reading stage. However, it would always be necessary to have, again, in the new session of Parliament, a fresh vote on third reading, which would be the ultimate safeguard that we were not rubber stamping something that we might collectively have changed our minds about.

Of course, the bill in question would have to be identical to the bill that had been considered in the previous session of Parliament. It seems to me there are a number of useful built-in

safeguards, and, as we know, if we want one of our bills to be reconsidered and reinstated in the House of Commons, there is a time limit to send the bill to them. The present system, where we have to do the whole procedure over again — first reading, second reading, committee, third reading — eats up a lot of time, time that could be useful in the other place, if we wanted our bills reinstated there.

• (1520)

This is a truly useful proposal, and one that I hope the Senate will adopt.

I want to address what I believe to be Senator Cools' objection. If I understand her position, she goes, as she often does, to some of the core principles of Parliament — and, in this case, I believe the core principle is that when something dies in Parliament it is dead and, thus, it must be reintroduced. In other words, one cannot simply, by waving a magic wand, reinstate a bill, say, because it was in a previous incarnation of Parliament.

If we were proposing to be able to reinstate bills after dissolution of Parliament, I would agree entirely with Senator Cools, because it would be a new Parliament that was being asked to swallow whole something that a previous Parliament had done, or this chamber in a previous Parliament had done. However, we are not talking about that. We are talking about simply reinstating bills from one session of a given Parliament to the next session of the same Parliament. It seems to me, therefore, that the principle of respect for the autonomy of each Parliament is well maintained.

We have not invented this principle in Canada. It is done in numerous Westminster-style parliaments around the world; it is done in various provinces in Canada; it is done in the mother of parliaments in both chambers, and has been done for some considerable time with success and without offending the fundamental principles of Parliament. I believe we can and should take the same step here.

On motion of Senator Corbin, debate adjourned.

ARTHRITIS

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Comeau, calling the attention of the Senate to the debilitating nature of arthritis and its effect on all Canadians.—(*Honourable Senator Keon*)

Hon. Catherine S. Callbeck: This inquiry stands in Dr. Keon's name, but, with his agreement, I shall speak to the matter today and adjourn it in his name.

Honourable senators, I thank Senator Comeau for calling this inquiry to help raise awareness of the impact of arthritis on Canadians. Many people would be surprised to know that over 4 million Canadians live with arthritis every day. I myself live with rheumatoid arthritis and deal daily with its impact. As Senator Comeau has already pointed out, the number of people affected becomes much larger when you consider the impact on family and friends of arthritis sufferers.

Arthritis is the second-most chronic condition in women and the third for men. Some population groups are at a greater risk than others. The prevalence of arthritis is 27 per cent for Aboriginal populations versus 17 per cent for the general Canadian population.

Many people think that arthritis is the aches and pains that come with advanced years; however, arthritis knows no age limits. Three out of five people with arthritis are under 65. One in 1,000 babies, toddlers, children and teens under the age of 16 live with arthritis.

It is among the top two causes of long-term disability. People over 55 are twice as likely to report a long-term disability as Canadians living with any other chronic condition, including the big three — cancer, heart disease and diabetes. An individual who has arthritis is three times more likely to report living with moderate to severe pain than if he or she is living with any of the other chronic conditions.

Yet, people, including policy-makers, are just starting to appreciate the enormous impact arthritis has on all aspects of Canadian society. Canada pays a high cost for not having an effective, coordinated approach to addressing arthritis and its consequences. According to the report *Arthritis in Canada: An Ongoing Challenge*, arthritis cost Canadians \$4.4 billion a year in 1998, mostly due to lost productivity and long-term disability.

An Hon. Senator: Order!

Senator Callbeck: The report also —

The Hon. the Speaker: I am having a hard time hearing Senator Callbeck. If conversations are really necessary, they would be best taken beyond the bar.

Some Hon. Senators: Hear, hear!

Senator Callbeck: This report also states that the figure of \$4.4 billion may be underestimated because it does not include things such as costs associated with health professionals, other than physicians, and only includes some arthritic conditions. It is fair to say that the number could have been far greater.

Ten years ago, health-care-related costs alone were \$1 billion. It must be noted, however, that in the last 10 years there has been a substantial increase in the number of people with arthritis, so it would be fair to assume that the associated costs have increased proportionately. It is estimated that by the year 2026 more than 6 million people over the age of 15 will be living with the disabling condition, a 50 per cent increase from present-day levels, increasing the total costs even more.

There are also costs in quality of life. Many people with inflammatory arthritis wake up each day unsure if they will experience a flare, which will make them unable to carry out many of the essential activities of life without extreme pain, if they are able to carry them out at all.

It is important to appreciate that arthritis may be inevitable, but it can be treated. Fortunately, much has been accomplished. Not that long ago, in most of our lifetimes, a child diagnosed with

arthritis faced a life of significant disability, likely becoming dependent on a wheelchair. Today, with the right drugs, the same child can live a life comparable to his or her siblings and friends who live without a disease.

Today, a new mother who faces the rapid and terrible onset of inflammatory arthritis is able to care for her baby. A person reaching retirement can enjoy a round of golf after having an arthritic knee replacement.

However, an enormous amount remains to be done.

There is promising research being done. A dedicated, innovative group of researchers are regularly finding new and promising avenues to explore. For example, an Ontario lab is growing cartilage to repair joints affected by osteoarthritis. In a decade or so, not only might this replace existing artificial joint replacements, but also it could even help stop the ongoing deterioration of cartilage tissue.

A U.S. study has identified the optimal combination of existing medication to most effectively manage rheumatoid arthritis. Canadian researchers are posed to develop effective treatments studying how the interaction of genes, environment and lifestyle can help predict juvenile arthritis outcomes early on in the disease process.

• (1530)

However, despite advances like these, arthritis research receives much less funding than any other chronic disease. The Canadian Institutes of Health Research spent \$2.4 million to fund arthritis research in 2006-07. That is only 2 per cent to 3 per cent of what CIHR spent on cancer research. The Arthritis Society itself provides over \$6 million a year for arthritis research, all of it raised from Canadians and Canadian organizations.

Canadians, speaking with their wallets, tell us that they value arthritis research more than twice as much as does our government. If arthritis research remains the poor cousin in Canada, many of our talented and passionate researchers will be forced to move on to other fields.

Imagine what advances there might be in arthritis research if it received more funding. Perhaps it could lead to a world free of arthritis or, at least, to substantial improvements in arthritis treatment.

You may have noticed that many statistics I have used to speak to the impact of arthritis are 10 years old. We live in a time when decisions are based on clear evidence. However, arthritis faces a double challenge. For a long time, arthritis was not considered serious enough to warrant up-to-date information on its impact. Now, arthritis advocates struggle to urge policy-makers to take action, but in some cases they do not have the up-to-date evidence that policy-makers like to see.

I am glad to say that the Public Health Agency of Canada has recently received funding to prepare an up-to-date report on arthritis. We must ensure that sufficient data is collected and compiled on a regular basis to allow us to appreciate the current and future impact of arthritis and to inform our future planning. We cannot afford to be blind to this looming crisis.

Inflammatory arthritis can be devastating. However, recent advances in pharmaceutical therapies have profoundly reduced the deformities and disability that all too often result from this chronic disease. Overwhelming evidence exists to show that early diagnosis and proper and timely treatment can dramatically slow and often even stop the destruction of connective tissue and joints. Unfortunately, too many Canadians cannot access the skilled professionals to make this diagnosis or are forced to wait many months while the disease destroys joints and tissue throughout the body.

The best therapies are expensive and, for too many Canadians, cost is an insurmountable barrier to the therapy that they and their physicians know is required. Given the current and future challenges in maintaining Canada's labour force, as a country we should assist these Canadians to live without pain and disability. We simply cannot afford to lose valuable workers because of treatable arthritis.

As it now stands, we allow arthritis to rob us of productivity from millions of potential members of the workforce. Not only does arthritis force people to leave the workforce for days, weeks, months or even permanently, it also makes big demands on our health care and social support systems.

In my home province of P.E.I., one in every 1,000 children has juvenile arthritis. Overall, more than 24,000 Islanders aged 12 and older live with some form of arthritis. That number represents 22 per cent of the Island's population, 5 per cent greater than the average national prevalence of 17 per cent.

Fortunately, Islanders have an active and committed Arthritis Society. It was established in the late 1970s with a part-time secretary, and has continued to expand considerably over the years. This organization is made up of many dedicated and committed Islanders who volunteer their time and energy to advocate and assist Islanders living with arthritis. This small but mighty organization offers a remarkable range of services with funds raised entirely through donations.

The Arthritis Information Line is a toll-free number that provides information and referral to local services for people with arthritis, their families, friends and health professionals. The Arthritis Registry is a free information service that keeps members up to date with arthritis research, programs, services, events and resources. The Arthritis Self-Management Program is a six-week volunteer-led program that complements medical treatment and is designed to help Islanders manage their arthritis more effectively. Aqua Arthritis and People with Arthritis Can Exercise, PACE, offer recreational exercise classes with trained and certified instructors.

At the national level, the Arthritis Society is also performing great work. With resources provided by Health Canada's Primary Health Care Transition Fund, they have partnered in the development and delivery of 30 workshops in 219 communities across the country. These workshops gave 900 primary health care providers the opportunity to enhance their skills and improve their ability to diagnose arthritis.

It is time that we, as parliamentarians and policy-makers, recognize that much needs to be done. In late 2005, the members of Canada's arthritis community came together and provided us with a road map.

These experts identified three top priorities. First, every Canadian must be aware of arthritis. We must dispel the myths and make people aware of the importance of fighting arthritis from its earliest stage. Second, health professionals must have a screening tool to diagnose arthritis quickly and accurately, and they must be skilled in using it. Third, Canadians must have timely and equal access to appropriate medications.

In Senator Comeau's remarks last fall, he spoke of the dedication of the members of the Alliance for the Canadian Arthritis Program. I had the opportunity to talk to several of those members while they were here in the Senate. One quickly recognizes their commitment, dedication and determination.

I also know from experience the same passion and energy from members of the Arthritis Society, who also work hard to advocate for arthritis issues.

These tireless individuals are now asking us to take up their challenge and become a part of the fight against arthritis. We must do our best to make life better for Canadians with arthritis and, if possible, to ensure that no one lives with it at all.

On motion of Senator Keon, debate adjourned.

[Translation]

THE SENATE

MOTION TO URGE GOVERNMENT TO NEGOTIATE FREE TRADE AGREEMENT WITH EUROPEAN UNION—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Segal, seconded by the Honourable Senator Keon:

That the Senate call upon the Government of Canada to engage in negotiations with the European Union towards a free trade agreement, in order to encourage investment, free movement of people and capital.—(*Honourable Senator Tardif*)

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I see that this motion has now been before us for 14 days. We cannot allow the motion to expire simply because we did not pay attention. I would therefore like to adjourn the debate.

On motion of Senator Comeau, debate adjourned.

The Senate adjourned until Thursday, January 31, 2008, at 1:30 p.m.

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