



CANADA

Debates of the Senate

2nd SESSION

•

39th PARLIAMENT

•

VOLUME 144

•

NUMBER 45

OFFICIAL REPORT
(HANSARD)

Wednesday, April 2, 2008



THE HONOURABLE NOËL A. KINSELLA
SPEAKER

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

Debates and Publications: Chambers Building, Room 943, Tel. 996-0193

Published by the Senate
Available from PWGSC – Publishing and Depository Services, Ottawa, Ontario K1A 0S5.
Also available on the Internet: <http://www.parl.gc.ca>

THE SENATE

Wednesday, April 2, 2008

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

Prayers.

SENATORS' STATEMENTS

SASKPOWER CARBON CAPTURE AND STORAGE DEMONSTRATION PROJECT

Hon. Leonard J. Gustafson: Honourable senators, I draw to your attention Prime Minister Stephen Harper's March 25 visit to the site of SaskPower's carbon capture and storage demonstration project in Estevan, Saskatchewan. Along with Saskatchewan Premier Brad Wall, the Prime Minister outlined the Government of Canada's partnership arrangement with Saskatchewan in developing this project.

The Prime Minister emphasized that:

By combining state-of-the-art carbon capture technology with enhanced oil recovery and carbon sequestration, the proposed Boundary Dam project would reduce Canada's greenhouse gas emissions by a million tonnes a year while generating up to 100 megawatts of clean power. . . . Proving this technology on a commercial scale is key to reducing Canada's greenhouse gas emissions.

As I also pointed out in this chamber on February 28, funding for the \$240 million contribution from the Government of Canada was included in Budget 2008.

Furthermore, these funds will be delivered in trust to the Province of Saskatchewan once legislation has been passed. Together with a matching contribution of \$758 million from SaskPower, the funds will be used for partnership in the industry on the project.

Honourable senators, carbon capture and storage is an integral part of the federal government's aggressive plan to achieve an absolute reduction of 20 per cent in Canada's greenhouse gas emissions by 2020. The Canada-Alberta ecoENERGY Carbon Capture and Storage Task Force has estimated that Canada has a potential to store underground as much as 600 million tonnes of carbon dioxide a year, roughly equal to three quarters of Canada's current annual emissions of greenhouse gases.

Honourable senators, the federal-provincial cooperation exemplified by this agreement has come to be one of the hallmarks of this government. In the long run, it is good for our country and will be good for the environment. As Prime Minister Harper mentioned on March 25:

The Boundary Dam project is an excellent example of the positive working relationship between Ottawa and Saskatchewan. . . . Both our governments are committed to balancing economic growth with environmental protection. We're taking real action that will produce real, tangible results, and make Canada a world leader in reducing greenhouse gas emissions.

WORLD AUTISM AWARENESS DAY

Hon. Jim Munson: Honourable senators, April 2 has been declared World Autism Awareness Day by the United Nations. There was consensus among 192 UN representatives that there is a need to draw the attention of people across the globe to this neurological disorder that is affecting more and more families. I am speaking today to inform my honourable colleagues that I intend to introduce a private member's bill so that Canada will also recognize April 2 as World Autism Awareness Day.

I remind honourable senators that autism now affects as many as 1 in 200 families in this country. The Centers for Disease Control and Prevention in the United States has called autism a national health crisis whose cause and cure remain unknown. Autism affects more children than pediatric cancer, diabetes and AIDS combined.

As honourable senators may remember, the Standing Senate Committee on Social Affairs, Science and Technology conducted a study on autism. The title of our report, *Pay Now or Pay Later: Autism Families in Crisis*, spoke volumes. Intensive Behavioural Intervention, a treatment that has proven to be effective for many people with autism, can cost more than \$50,000 a year. However, providing no treatment and not spending any money would have huge costs as well. People with autism who receive little or no treatment often require full-time care or institutionalization.

• (1340)

I am fully aware that by declaring April 2 World Autism Awareness Day, we will not fix things overnight. Families will have to struggle with the demanding and difficult task of providing, finding and buying care for their children with autism. Parents will still have to worry about the future, about the day when they will be gone, about who will care for their child with autism.

Declaring April 2 World Autism Awareness Day is one small step in a journey to see that all people with autism and their families have the care and support they need. I hope that all honourable senators will support me when I table the bill that will provide for Canada's recognition of April 2 as World Autism Awareness Day so that we can take that small step on behalf of all Canadians.

I draw the attention of honourable senators to a young man who, as I speak, is walking across the country. Let us remember Terry Fox when he took the first step from a harbour in St. John's, Newfoundland. Some of those steps were lost along the way, and no one paid any attention to him in certain spots across this country; but as he walked, people did pay attention. There is now another young man whose name is Jonathan Howard. He is a young man who has set out from St. John's, Newfoundland, and intends to run across this country — and he will do it — to raise awareness about autism. He plans to arrive in Victoria on November 21.

If I can put a plug in for Jonathan Howard, honourable senators can visit him at his website at runthedream.ca. Who knows, maybe Jonathan Howard will be our next Terry Fox.

NATIONAL TARTAN DAY

Hon. W. David Angus: Honourable senators, I take pleasure in rising today as a Canadian of strong Scottish heritage, to bring to your attention National Tartan Day, April 6.

This coming Sunday at 12 noon, for the first time, National Tartan Day will be recognized and celebrated on Parliament Hill, featuring the Sons of Scotland Pipe Band and the Ottawa City Piping College. The occasion will surely be a spirited one, presented by Canada's oldest Canadian pipe band, the Sons of Scotland, established in Ottawa in 1896.

Tartan Day has been recognized by proclamation in each and every one of Canada's provinces, and similar celebrations will take place this Sunday in cities and towns across the nation. As a Quebec senator, I wish to note in particular that Sunday's Tartan Day celebration will begin at 10:30 a.m. in the old City of Quebec, at St. Andrew's Presbyterian Church, with a Kirkin' o' the Tartan ceremony followed later by a Scottish flag-raising ceremony at City Hall and a parade led by the Fraser Highlanders Pipe Band.

Honourable senators, the significance of April 6 is that on April 6, 1320, at Arbroath Abbey on the east coast of Scotland in the County of Angus, the nobles, barons and freeholders, together with the whole community of the realm of Scotland, came together and pronounced the Scottish Declaration of Independence, in the form of a letter to Pope John XXII, asking him to recognize the country's political independence under the kingship of Robert the Bruce.

The thrust of this declaration was to underline the independence of Scotland from English domination following the Battle of Bannockburn in 1314. This became known as the Declaration of Arbroath, and it stated in part:

For so long as a hundred of us shall remain alive, we are resolved not to submit to the domination of the English. It is not for glory, wealth or honour that we are fighting, but for freedom and freedom only, which no true man ever surrenders except with his life.

Since that time, Scotland has been a sovereign nation and since 1707, part of the United Kingdom of Great Britain and Northern Ireland. During the last part of the 1980s in Canada and the United States, the idea of National Tartan Day was developed as an ideal way to highlight the unique cultural traditions of the Scots, and to bring to the world's attention their creativity, innovation, heritage and great business acumen, as well as the Scottish people in general.

In Canada, on Tartan Day, Scottish Canadians are encouraged to wear tartan kilts, sashes and the like in commemoration and recognition of the great contributions of the Scots and their descendants to the fabric of our society.

[Senator Munson]

• (1345)

WOMEN'S WORLD CURLING CHAMPIONSHIP

MANITOBA—CONGRATULATIONS TO WINNER
JENNIFER JONES AND HER TEAM

Hon. Terry Stratton: Honourable senators, on March 30, Team Canada won the Ford World Women's Curling Championship in British Columbia after defeating the Chinese team by a score of 7 to 4.

[Translation]

The Winnipeg team — Jennifer Jones, Dawn Askin, Jill Officer and Cathy Overton-Clapham — faced strong opponents from such countries as the United States, Scotland, Japan and, in particular, China. Despite being defeated twice by China, and having a difficult semi-final game against Japan, the Canadians went on to win the world championship with their talent. Other European teams, including Switzerland, Denmark, Germany, the Czech Republic and Scotland, also participated in the tournament.

[English]

As a senator from Manitoba, I am immensely proud of the achievement by Team Canada. Canadians have built a tradition of leadership in winter sports, including curling. On behalf of all senators, I congratulate the skip, Ms. Jones, and her team from Winnipeg, Manitoba, Canada, on their spectacular victory. They have shown the world once again that Canadian women are at the top of their game.

ROUTINE PROCEEDINGS

STUDY ON IMPACT AND EFFECTS OF SOCIAL DETERMINANTS OF HEALTH

THIRD INTERIM REPORT OF SOCIAL AFFAIRS,
SCIENCE AND TECHNOLOGY COMMITTEE TABLED

Hon. Wilbert J. Keon: Honourable senators, I have the honour to table, in both official languages, the ninth report, third interim, of the Standing Senate Committee on Social Affairs, Science and Technology entitled: *Population Health Policy: Federal, Provincial, and Territorial Perspectives*.

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

FOURTH INTERIM REPORT OF SOCIAL AFFAIRS,
SCIENCE AND TECHNOLOGY COMMITTEE TABLED

Hon. Wilbert J. Keon: Honourable senators, I have the honour to table, in both official languages, the tenth report, fourth interim, of the Standing Senate Committee on Social Affairs, Science and Technology entitled: *Population Health Policy: Issues and Options*.

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

• (1350)

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

ORGANIZATION FOR SECURITY AND CO-OPERATION
IN EUROPE PARLIAMENTARY ASSEMBLY—
ELECTION OBSERVATION MISSION IN UKRAINE,
SEPTEMBER 30, 2007—REPORT TABLED

Hon. Consiglio Di Nino: Honourable senators, I have the honour to table, in both official languages, the report of the Canada-Europe Parliamentary Association on the Organization for Security and Co-operation in Europe Parliamentary Assembly's (OSCE PA) Election Observation Mission in Kiev, Ukraine, on September 30, 2007.

ORGANIZATION FOR SECURITY AND CO-OPERATION
IN EUROPE PARLIAMENTARY ASSEMBLY—
EXPANDED BUREAU MEETING,
APRIL 23, 2007—REPORT TABLED

Hon. Consiglio Di Nino: Honourable senators, I have the honour to table, in both official languages, the report of the Canada-Europe Parliamentary Association on the Organization for Security and Co-operation in Europe Parliamentary Assembly's (OSCE PA) Expanded Bureau Meeting, held in Copenhagen, Denmark, on April 23, 2007.

ORGANIZATION FOR SECURITY AND CO-OPERATION
IN EUROPE PARLIAMENTARY ASSEMBLY—
ELECTION OBSERVATION MISSION IN KAZAKHSTAN,
AUGUST 18, 2007—REPORT TABLED

Hon. Consiglio Di Nino: Honourable senators, I have the honour to table, in both official languages, the report of the Canada-Europe Parliamentary Association on the Organization for Security and Co-operation in Europe Parliamentary Assembly's (OSCE PA) Election Observation Mission in Kazakhstan on August 18, 2007.

[Translation]

CANADIAN NATO PARLIAMENTARY ASSOCIATION

JOINT MEETING OF DEFENCE AND SECURITY,
ECONOMICS AND SECURITY AND POLITICAL
COMMITTEES, FEBRUARY 17-19, 2008—
REPORT TABLED

Hon. Pierre Claude Nolin: Honourable senators, I have the honour to table, in both official languages, the report from the Canadian delegation to the Joint Meeting of the Defence and Security, Economics and Security and Political Committees of the Canadian NATO Parliamentary Association, held in Brussels, Belgium, from February 17 to 19, 2008.

LEGAL AND CONSTITUTIONAL AFFAIRS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE
TO REFER DOCUMENTS FROM STUDIES ON BILL S-21
DURING FIRST SESSION OF THIRTY-EIGHTH
PARLIAMENT AND BILL S-207 DURING
FIRST SESSION OF THIRTY-NINTH PARLIAMENT
TO CURRENT STUDY ON BILL S-209

Hon. Joan Fraser: Honourable senators, I give notice that, at the next sitting of the Senate, I shall move:

That the papers and evidence received and taken, and the work accomplished by:

- (a) the Standing Senate Committee on Legal and Constitutional Affairs during the First Session of the Thirty-eighth Parliament relating to Bill S-21, An Act to amend the Criminal Code (protection of children); and
- (b) the Standing Senate Committee on Human Rights during the First Session of the Thirty-ninth Parliament relating to Bill S-207, An Act to amend the Criminal Code (protection of children)

be referred to the Standing Senate Committee on Legal and Constitutional Affairs for the purposes of its consideration of Bill S-209, An Act to amend the Criminal Code (protection of children), during the current session.

OFFICIAL LANGUAGES

LINGUISTIC RIGHTS—NOTICE OF INQUIRY

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, I give notice that, two days hence:

I shall call the attention of the Senate to the present state of linguistic rights in Canada and on the development of official language minority communities.

QUESTION PERIOD

OFFICIAL LANGUAGES

RENEWAL OF ACTION PLAN

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, my question is for the Leader of the Government in the Senate.

On March 31, 2008, two days ago, the Official Languages Action Plan expired. Official language minority communities are on high alert, left in the lurch by the government concerning projects that are essential to their survival. When will the government announce its new action plan?

• (1355)

[English]

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I thank the honourable senator for the question. As she knows, the report of the former Premier of New Brunswick, the Honourable Bernard Lord, was submitted to the government. I am sure that Senator Tardif will agree that the government, through its budgetary commitments, is committed to the development of the next phase of the Action Plan for Official Languages. As the honourable senator knows, the report to Minister Josée Verner, which was made public on March 20, is currently being studied by the minister, and soon she will announce the government's plans, taking into consideration all the recommendations of Mr. Lord. I am sure Senator Tardif noticed that Mr. Lord recommended to the government that substantially more funds be given to official languages programs than was given by the previous government.

With regard to the 2003-08 action plan, I am informed that funds from Canadian Heritage taken from that plan are confirmed until March 31, 2009.

[Translation]

Senator Tardif: Can the minister tell us if there has been an announcement stating that the 2003-08 action plan would remain in effect until March 2009?

[English]

Senator LeBreton: Honourable senators, I believe that the government had no intention of disbanding the plan until the 2003-08 action plan is replaced by the government's new initiatives. It was always understood that the 2003-08 campaign would continue.

With regard to an announcement, I will seek the advice of my colleague on how she communicated that information to the public.

[Translation]

Senator Tardif: Can the minister provide assurances that the communities will continue to receive funding? Organizations and associations that were receiving funding up to March 31 are now left with nothing. Some associations are wondering whether they will have to let staff members go or even close their doors. They need to know what is going on. Will funding be provided for the period between the end of one action plan and the beginning of the next?

[English]

Senator LeBreton: Honourable senators, I will read from what was provided to me, although reading it may offend Senator Milne.

The agreements in education and the agreements on services with provinces and territories, which include funds from the 2003-08 action plan, are still in effect until March 31, 2009.

I believe I responded to a question before the break by saying that I was not aware that any organizations were told that their funds were no longer available, although I have no proof they were not told that. I will be happy to find out exactly how this information was communicated to the various organizations.

FINANCE

PROPOSED REGISTERED DISABILITY SAVINGS PLAN

Hon. Jim Munson: My question is directed to the Leader of the Government in the Senate. Under Senators' Statements I spoke about World Autism Awareness Day. I have recently returned from a news conference where members of the NDP and the Bloc Québécois participated, as well as MPs Mike Lake and Steven Fletcher of the Conservative Party. We still need answers on this important non-partisan issue.

My question comes directly from a father of a child with autism. Referring to the budget, he wrote:

Minister Flaherty announced the creation of a new tax sheltered savings account. However, in the last budget over a year ago, they announced the creation of a registered disability savings account that was supposed to be available in 2008. My wife and I, and many other parents across Canada were happy to hear of the disability savings plan and started to save up for it to invest on January 2, 2008. However, I have contacted two financial institutions who told me that the plans will NOT be available until the end of the year at the earliest because of footdragging at the Department of Finance on the technical details and regulations necessary to launch the plans and make them available to the public.

Would you please consider asking Senator LeBreton, what is the status of the Registered Disability Savings Plan and when do they expect it to become available, and whether it makes sense to try to duplicate something that they can't even seem to be able to give birth to in the first place?

• (1400)

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): Honourable senators, the honourable senator is to be commended for his efforts today. This issue is indeed non-partisan. We have members of our own caucus, as he knows and has mentioned, who are parents of autistic children. Over the last few weeks, CNN has given a great deal of attention to the severity of the issue, its complexity and the puzzlement as to exactly what causes autism.

With regard to the specific question from the father, he asked a valid question, and I will approach my colleague the Minister of Finance to find out the exact status of this program.

Senator Munson: I thank the leader and I appreciate that response.

HEALTH

• (1405)

NATIONAL STRATEGY FOR AUTISM

Hon. Jim Munson: Honourable senators, I have a supplementary question. The government leader is a persuasive minister, and I would ask her to try to persuade Minister Tony Clement to do more. In her answer to Senator St. Germain a few weeks ago, she talked about what the government has done in terms of an autism research chair at Simon Fraser University, which is laudable. She also said that through research and knowledge, the researchers will work with the provinces and territories to share best practices. She said that the federal government is taking action. When she talks about sharing best practices, researchers, provinces and territories, the time is opportune for the federal government to bring these parties together. As the leader of the government knows, in our bipartisan report with Senator Keon, we are looking for a national strategy. One way to open this door is for the minister to bring them into the room to work out best practices, which, even at this level, is important in research.

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I believe that Minister Clement and his provincial and territorial counterparts have discussed the issue. Whether it was the specific topic I am not aware of, but I will provide the honourable senator's suggestion to the minister and encourage him to do everything he can, working with provincial and territorial counterparts, to move this issue along and address this serious situation that many families in this country face.

GOVERNMENT WORKS AND PUBLIC SERVICES

REMOVAL OF POSTERS FROM FORMER
PROPOSED LOCATION OF PORTRAIT GALLERY

Hon. Francis William Mahovlich: Honourable senators, my question is for the Leader of the Government in the Senate. We are all fully aware of the controversy surrounding the Portrait Gallery of Canada. At one point, it was meant to be across the street from Parliament here in Ottawa. Next it was supposed to be in Calgary. Now we are in the middle of a competition involving nine cities across the country to locate the future home of the gallery.

This project was started in 2003, and the federal government has already spent over \$9 million. Architect Edward Jones was selected to design the gallery when it was scheduled to be built in Ottawa. His company spent countless hours and thousands of dollars toward this project. Understandably, Mr. Jones is upset with the change in plans. To quote him from a story on the front page of the *Ottawa Citizen*, on March 13, he stated: "Shame on Canada and shame on the present government for reversing the previous government's decision."

Mr. Jones feels, as I do, that major cultural institutions should not be victims of party politics. The redevelopment of the Royal Opera House in London was first introduced by Margaret Thatcher and later completed by Tony Blair. These two different leaders, and their respective parties, were able to collaborate to work for the betterment of their country, and Canada should do the same.

Honourable senators, it is time for the federal government to do what is right for Canada: get this portrait gallery completed. While we wait for the results of the competition for the gallery's location, here in Ottawa we must look at posters that advertise various groups or events going on in the city, very much like Broadway in New York. It is certainly an eyesore and I feel it cheapens the government to have such images facing Parliament Hill.

On March 25, the *National Post* portrayed 11 of the new covers Penguin Canada has created to celebrate extraordinary Canadians. Some of the faces featured in this series include Big Bear, Norman Bethune, Lord Beaverbrook, Nellie McClung, Glenn Gould, Emily Carr, Marshall McLuhan, Lucy Maud Montgomery, Lester B. Pearson — by the way, a Nobel Prize winner — Louis Riel, Gabriel Dumont and Mordecai Richler. Showcasing these notable Canadians would not only serve as a tribute to their great accomplishments, but it would also be a much nicer and more appropriate display across from Parliament Hill.

Honourable senators, my question to the Leader of the Government in the Senate is: When will the government have the Minister of Public Works and Government Services remove the advertisements displayed in front of the building — some of which, by the way, verge on burlesque posters — that was once meant to house the portrait gallery of Canada and create a display that will properly represent exceptional Canadians?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): Senator Mahovlich, some of my colleagues suggested that both you and Gordie Howe should have been included in that list.

As the honourable senator knows, the government has requests for proposals out across the country. There is debate on this issue: Some people believe that this institution should reside here in the National Capital Region. There is the other side of this debate, that other parts of the country are more than able to host a national institution such as the national portrait gallery.

This house recently passed a bill that put the national museum of human rights in Winnipeg. I can only undertake to find out when we expect to be in a position to make an announcement on the national portrait gallery.

It is hard to disagree with the honourable senator that the site is looking a little worn out with all of the advertisements and graffiti on the wall in front.

With regard to the national portrait gallery location, the National Capital Region is in the bidding, as are several other cities. This is a national institution and in the government's view, it does not necessarily have to be in the nation's capital to be appreciated by Canadians. Many other cities would like to host this museum.

AGRICULTURE AND AGRI-FOOD

CANADIAN WHEAT BOARD— FIRING OF VICE PRESIDENT OF COMMUNICATION

Hon. Terry M. Mercer: Honourable senators, I am surprised by the leader's answer to Senator Mahovlich. As a senator from the Ottawa region, I would have thought that the leader would champion the National Capital Region as a location for the museum.

Last month, I asked the Leader of the Government in the Senate a question about the Canadian Wheat Board and the firing of the vice president of communications, Deanna Allen. Could the leader clarify who sits on the Wheat Board and how the board is chosen?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): First, with regard to the person the honourable senator mentioned, that was a decision of the Wheat Board.

With regard to the makeup of the Wheat Board, I will have to put on a hat worn previously, but I believe the board is made up of representatives of the government and the producers.

• (1410)

I will take Senator Mercer's question as notice, so as not to misinform him as to the appointments process and who actually makes up the membership of the Wheat Board. There is a process that is followed.

Senator Mercer: Perhaps I could assist the leader with the answer. The answer is that the board is made up of representatives appointed by the Governor-in-Council and members elected by the farmers in the various regions, as defined by the Wheat Board.

My understanding is that an equal number of members is appointed by government as are elected by the farmers.

Senator Tkachuk: Five.

Senator Mercer: Further, at the meeting where Ms. Allen's employment was discussed, I have it on good authority how the vote went. All of the representatives of the Government of Canada voted to have Ms. Allen removed. The other members in the room, elected by farmers in Western Canada, voted not to fire her. The deciding vote was cast by the president. That person was appointed by the government of the day. I asked the Leader of the Government in the Senate a month ago if anyone from the government had given a directive to the Wheat Board to fire Ms. Allen, and she said no. There was a tied vote, and the president cast the deciding vote to fire Ms. Allen. He was appointed by the Government of Canada.

This government continues to say they want to listen to farmers in Western Canada. The farmers on the board voted to keep Ms. Allen and the government representatives voted against her.

An Hon. Senator: Oh, oh.

Senator Mercer: The honourable senator does not fish in Eastern Canada, but I have seen him vote on fisheries bills in this place. I have every right to speak. I happen to be a member in good standing of the Standing Senate Committee on Agriculture and Forestry.

Some Hon. Senators: Hear, hear!

Senator Mercer: Honourable senators, last evening I heard my good friend the Deputy Chair of the Standing Senate Committee on Agriculture and Forestry express support for two different moves that the Wheat Board has made recently. I commend Senator Gustafson for his stand. He did not publicly support the Wheat Board, but he spoke about recent matters that he thought they handled quite well. The honourable senator need not lecture me about my right to speak on behalf of western farmers.

Some Hon. Senators: Hear, hear.

Senator Mercer: Will the Leader of the Government in the Senate retract her statement of a month ago about there being no directions given to the Wheat Board to fire Ms. Allen?

Senator LeBreton: I will not retract my statement, because there were no directives given by the government. This was a decision of the Wheat Board. I would have no way of knowing who voted which way when the decision was made. I am surprised Senator Mercer does. These are decisions made in a board meeting. I was not aware these decisions were public or that the votes of each member of the board were actually made public. Senator Mercer says that he has information that seems to suggest otherwise, but there were no directives from the government with regard to Ms. Allen.

The board made a decision. The board is responsible for running the Wheat Board.

HERITAGE

NEWFOUNDLAND AND LABRADOR— FOUR HUNDREDTH ANNIVERSARY CELEBRATIONS OF CUPIDS—REQUEST FOR FUNDING

Hon. Bill Rompkey: Honourable senators, my question, like Senator Munson's, is a non-partisan question. Like Senator Munson, I am asking it of someone I consider a very persuasive minister.

• (1415)

Indeed, I want to tell her that when I asked a question earlier about the four hundredth anniversary celebrations of Cupids in Newfoundland and Labrador, she was able to have some of that money approved, as the money from the Atlantic Canada Opportunities Agency for the building had been approved.

However, there still remains a portion of the funds from Canadian Heritage. I want to bring this matter to her attention because I know she was helpful previously.

We will have a building with no celebration unless the funds are freed by June 1. I know the leader would want to join with all of us in celebrating the four hundredth anniversary of the oldest English-speaking community in what is now Canada. This national celebration is important for us, and it is a significant

milestone in Canadian history and in our own province. I ask the Leader of the Government in the Senate to bring this matter to the attention of Minister Verner. I know there is no hesitation from the policy point of view. Something has gummed up the works; will she please free the works before June 1?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I thank Senator Rompkey for the question. As a result of his question previously, I have made representations periodically to find out the status of the Cupids application at Heritage Canada. The last time I asked, they advised me that they were evaluating the matter. I will, by virtue of the honourable senator's question today, remind them that I would like an answer so he does not need to ask the question again.

BUSINESS OF THE SENATE

ORDER PAPER QUESTIONS—REQUEST FOR ANSWERS

Hon. Sharon Carstairs: Honourable senators, my question is to the Leader of the Government in the Senate. I submitted written questions on December 13, 2007, regarding employees of the Department of Foreign Affairs and International Trade, DFAIT, particularly with respect to their spouses and reciprocal employment agreements and arrangements. However, I have yet to hear anything.

Can the leader indicate to me, now that it is almost four months since those questions were placed on the Order Paper, when I can anticipate a reply?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I thank Senator Carstairs for the question. I will make inquiries because many spouses of DFAIT employees have felt that if they were moved to other parts of the world they would suffer professionally and financially. I will find out what has happened.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, before calling for delayed answers, I draw your attention to the presence in the gallery of the Russian Federation Council Delegation on National Defence and Security led by His Excellency Eugeny Serebrennikov, First Deputy Chairman of the committee. The delegation also includes Valery Parfionov, Alexey Shishkov, Valery Pomogaibin and Yury Martin. They are accompanied by His Excellency Georgy Mamedov, the distinguished Ambassador of the Russian Federation. They are guests of the Canada-Russia Inter-Parliamentary Group.

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

Hon. Senators: Hear, hear!

• (1420)

ORDERS OF THE DAY

BUDGET 2008

INQUIRY—DEBATE ADJOURNED

Hon. Mira Spivak rose pursuant to notice of Senator Comeau on March 5, 2008:

That he will call the attention of the Senate to the budget entitled, *Responsible Leadership*, tabled in the House of Commons on February 26, 2008, by the Minister of Finance, the Honourable James M. Flaherty, P.C., M.P., and in the Senate on February 27, 2008.

She said: Honourable senators, Budget 2008 contains some good measures. The centrepiece of the budget is the tax-free savings account, TFSA, a measure that offers special benefits to low-income earners. Those who are at the low end of the income scale gain little from RRSP contributions, and in their withdrawals in retirement are harshly taxed, combined with steep clawbacks of government benefits, such as the Guaranteed Income Supplement or the age credit. TFSA withdrawals are not taxed nor are their benefits affected. However, the TFSA is meant to encourage Canadians to save, and is a far cry from the 2006 Conservative election promise of capital gains tax relief, to quote Jeff Rubin of CIBC World Markets, who echoes other industry spokespeople.

In addition, the plan, from the point of view of individual stock owners, has a few other flaws. It does not cover real estate assets; it offers no tax reductions for capital losses on equities; and in addition, tax rates on dividend income are set to go up somewhat, depending on corporate and provincial actions.

On the environment front, however, the budget offers a modest proposal of \$358 million for environmental measures, of which \$300 million is to support AECL's new reactor, some for transportation, a very good measure for carbon capture and Saskatchewan's clean coal plan and \$1 million to promote conservation and sustainable economic development.

While the conversation from many quarters is rising in multi-decibel levels on the issues of tax shift, carbon tax, cap and trade mechanism and carbon tariffs as essential methods to address climate change, the budget is almost silent here, except for \$66 million to lay a foundation for market-based mechanisms.

The finance minister eschewed the means of refilling the treasury to the tune of billions of dollars and thus to tax shift to encourage positive action and to put Canada belatedly on an energy path of conservation and green technology.

Advocates who called for immediate action on these measures include the eminent British economist Sir Nicholas Stern, TD chief economist John Drummond, *National Post* columnist Andrew Coyne and former C.D. Howe Institute president Jack Mintz. Mr. Tom d'Aquino of the Canadian Council of Chief Executives notes that a carbon price signal is "an important means to ensure that energy use reflects its environmental costs"

This year the Canadian Centre for Policy Alternatives in its alternative federal budget proposed a carbon tax of \$30 a tonne, which would guarantee \$5.25 billion in fiscal year 2008-09 and \$7 billion in the years thereafter. Meanwhile, revenue from an emissions cap-and-trade system would be in the order of \$25 million this year and \$1.3 billion the following year. Most of that revenue could be returned to Canadians as tax refunds, encouraging them at the front end to use less fossil fuels and rewarding them at the back end with lower taxes. There would also be money to help low-income earners with housing retrofits, money for public transit, money to invest into technology and much more.

In response to the government's request for medium- and long-range targets for advice on greenhouse gas reduction targets, the National Round Table on the Environment and the Economy presented its advisory report to government. The report, entitled *Getting to 2050: Canada's Transition to a Low-emission Future*, cites an economy-wide price signal for carbon, a price signal that is delivered through a carbon tax, a cap-and-trade system or a combination of the two as essential targets for GHG reductions.

The report looks at what happens to our economy when carbon prices increase gradually from \$20 a tonne in 2015 to \$200 a tonne in 2030. It concludes that by 2050 a business as usual scenario would see our economy grow to close to \$3 trillion, and the end result would not be substantially different when carbon carries a price. The economy would be worth \$2.934 trillion, having lost, at most, two years of growth over that 42-year period. To quote one of the recommendations, "Implement, immediately, the development and design of market-based policy instruments . . ."

Mark Jaccard of Simon Fraser University, and a round table member, went one further. He is an authority the Minister of the Environment cited while prophesying economic doom from Kyoto. Mr. Jaccard delivered an excellent report on setting a carbon price to achieve lower emissions, lower taxes and lower barriers to green technology. It shows that a phased-in carbon price, a price that would reduce greenhouse gas emissions substantially, would generate government revenue in the order of \$50 billion by 2020.

He estimated that if the entire government revenue generated by a carbon price were used to offset income taxes, Canadians would see a 50-per-cent drop in their taxes. With the introduction of a carbon price, even a very steep one, our economy is projected to continue to grow rapidly.

His report differs from the round table report by looking at how that revenue is reintroduced to the economy and predicts that with proper measures, the decline in the rate of economic growth would be substantially reduced to less than 1 per cent.

The Green Budget Coalition in its report *Big Steps Forward* states, "Canada's future prosperity requires the integration of environment and social values into market prices through strategic fiscal policy."

The report goes on to say that the federal government has the legal and jurisdictional authority to put a price on carbon, and there is growing support for the move in Quebec and Alberta, from the Conference Board of Canada and even from the Canadian Association of Petroleum Producers. Of course, Jack Mintz has said in one of his articles that it is important to coordinate the federal and provincial plans.

Virtually all interest groups beyond the glass towers of Ottawa understand that a carbon tax is inevitable and understand that the uncertainty of how much and when is bad for the economy. Last month, the Conference Board of Canada issued yet another report whose very title is the prescription for government. The title is *Use Green Taxes and Market Instruments to Reduce Greenhouse Gas Emissions*. While working independently from the national round table, it reached essentially the same policy conclusions that a tax in the \$25 range might encourage short-term adjustment but will not on its own induce significant change. It will, however, generate government revenues of just under \$19 billion. The board states that Canada needs to go much further, much faster, in introducing a national, comprehensive, and coordinated system of green taxes that would set a price on greenhouse gas emissions. The board emphasises that this greenhouse gas tax system should be implemented in tandem with a cap-and-trade system for large-scale industrial emitters.

There is no better advocate than one who leads by example. Last month, the B.C. government became the first jurisdiction in North America to introduce a significant consumer-based carbon tax.

• (1430)

B.C. will generate \$1.85 billion a year from its revenue-neutral carbon tax and return all of it to individuals and corporations. Along the way, it will wean its drivers away from pickup trucks that will cost more than \$200 extra to drive, and encourage hybrid cars that will save at the pumps.

B.C. residents will receive cheques in June to help them adjust to higher energy prices. Then they will see tax reductions and credits at tax time. Corporate taxes are also going down as part of the revenue-neutral mechanism of this tax.

Judith Maxwell, former head of the Economic Council of Canada, said B.C.'s carbon tax achieves three important breakthroughs. It gives all energy users the clear message that the cost of fossil fuels will rise in the indefinite future. It shows that government can tax energy without risking serious economic damage and it did not produce a political backlash.

This month, Canada's environmental leaders — eleven of the largest environmental groups — proposed a realistic price on carbon now, a price of \$30 a tonne, rising to \$75 a tonne by 2020.

While she stopped short of specific recommendations, the Queen, in an unusually blunt Commonwealth Day message this month, urged governments and businesses in developed countries, including Canada, to match words "and good intentions with deeds" that will leave future generations with unpolluted air and clean water.

Beyond these measures, the idea of a carbon tariff has been proposed by economists Jeffrey Rubin and Benjamin Tal of CIBC, and also Thomas Courchene and John Allan of Queen's University. This is to deal with the problem of imports from countries with no price on carbon, such as China, and to make sure that the domestic costs of reducing our own greenhouse gas emissions are ultimately validated by a reduction in global emissions.

Not surprisingly, this particular proposal has caused a great deal of controversy and discussion, and it harkens back to the idea of the Tobin tax. However, we are in a crisis so we have to look at it all.

Honourable senators, perhaps the next budget will reflect the need to act quickly, locally, nationally and globally.

On motion of Senator Comeau, debate adjourned.

URBAN MODERNIZATION AND BUSINESS DEVELOPMENT BANK BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Grafstein, seconded by the Honourable Senator Fitzpatrick, for the 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 Comeau*)

Hon. J. Trevor Eyton: Honourable senators, I rise today to speak to Senator Grafstein's Bill S-226. This bill deals with an important issue and I plan to speak to it. Unfortunately, I have not finalized my notes and I cannot speak to the matter today. Therefore, I move that the debate be adjourned for the balance of my time.

On motion of Senator Eyton, debate adjourned.

VISITOR IN THE GALLERY

The Hon. the Speaker pro tempore: Honourable senators, I draw your attention to the presence in the gallery of His Excellency Tsuneo Nishida, Ambassador for Japan to Canada.

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

Hon. Senators: Hear, hear!

CRIMINAL CODE

BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Tkachuk, seconded by the Honourable Senator Johnson, for the second reading of Bill C-343, An Act to amend the Criminal Code (motor vehicle theft).—(*Honourable Senator Tardif*)

Hon. Larry W. Campbell: Honourable senators, I am pleased to speak to you today as the critic on Bill C-343, An Act to amend the Criminal Code in regard to motor vehicle theft.

This bill will add a section to the Criminal Code differentiating between motor vehicle theft and other forms of property crime.

The main purpose of this bill will be to waive the provision requiring that the stolen item exceed \$5,000 and make it easier for prosecutors to track previous vehicle theft offences.

Honourable senators, I agree with the fundamental and underlying rationale behind this legislation which recognizes the importance that automobiles play in the daily lives of Canadians, whether they are going to work, picking up groceries or their children.

When Canadians become victims of car theft there is a sense of frustration and vulnerability. This, coupled with the substantial inconvenience and potential replacement costs or increased insurance rates, creates a burden that all Canadians must bear.

Honourable senators, auto theft is a serious problem in Canada. As the Honourable Senator Tkachuk pointed out yesterday, motor vehicle theft is estimated to cost Canadians over \$1 billion a year in insurance, health care, policing and out-of-pocket expenses such as deductibles.

In addition, I do not have to remind honourable senators that in my former role as the Chief Coroner for British Columbia I was well aware of the dangers associated with auto theft and poor driving skills and the resulting deaths of innocent people. Motor vehicle theft puts all of us at risk.

Bill C-343 is an attempt to reduce the problem of automobile theft. Unfortunately, honourable senators, in its current form I have serious reservations about the impact this proposed legislation will have on reducing theft of this nature in Canada.

This bill reminds me of another piece of legislation that we dealt with recently, Bill C-2. Professor Anthony Doob of the University of Toronto rightfully said:

... in the long run, whatever you do on this bill, do not fool yourself into thinking that you have done anything at all that will make any of us any safer. Whatever decisions you make will be for reasons that should not include public safety.

Professor Doob continued later:

... in the end, this will not address the issues. This will make people feel as if Parliament has done something, and that feeling will be wrong.

I see many similarities between Bill C-2 and Bill C-343. Rather than dealing with the root causes or providing the necessary resources, this bill is a newspaper headline, "get tough on auto theft," rather than a viable solution.

Auto theft in Canada is already on the decline and that is not due to legislative changes. The decline is the direct result of the hard work and dedication of police forces across Canada. This, combined with the introduction of new technologies in the auto theft field, which by the way has made car theft more difficult and risky for thieves, is the driving force behind the decline we see today.

This proposed legislation falls short because it fails to adequately address either of the two groups that are involved in this form of criminal activity. Members of the first group, the joyriders, are often young, opportunistic and not concerned about

the penalties because they not believe that they will be apprehended and are rarely aware of the consequences. These are the drivers that scare us the most when it comes to auto theft. They are inexperienced. Their youthfulness leads to dangerous and often deadly situations.

The second group includes members of organized crime who are taking advantage of the Conservative government's weak response to Canadian port security and are either shipping stolen vehicles overseas or alternatively sending the vehicles to be disassembled and sold for parts.

If this government was really concerned with car theft it would be investing in programs and technology that would increase risk and remove the level of profit.

• (1440)

By increasing funding for police programs and providing greater resources for the Canada Border Services Agency for port security, we would take steps forward in addressing the factors that encourage organized crime to participate in motor vehicle theft.

Any legislative changes need to be intertwined and implemented with a coherent strategy that combines available resources. Unfortunately, since the Conservative government refused to bring this initiative forward as a government bill, I have questions about this government's dedication and willingness to fund solutions for the problem of motor vehicle theft.

I look forward to studying Bill C-343. I know honourable senators in the Standing Senate Committee on Legal and Constitutional Affairs will conduct a thorough review of this legislation. Hopefully, together we can provide concrete solutions and recommendations that will serve Canadians.

The Hon. the Speaker *pro tempore*: Is there continuing debate? Senator Dyck, do you wish to speak?

Hon. Lillian Eva Dyck: I have a question.

The Hon. the Speaker *pro tempore*: Will Senator Campbell take a question?

Senator Campbell: Of course.

Senator Dyck: In his speech, the honourable senator said with respect to auto thefts involving joyriding, that "he or she" may be the driver. Was he being politically correct by saying he or she? Are the numbers equal, or is it mostly young males that are out for joyrides?

Senator Campbell: I am always mindful of political correctness. It has been my experience that the vast majority of joyriders are males. However, I have on occasion been involved with female joyriders.

An Hon. Senator: More information. Do you want to tell us about that?

Senator Campbell: Thank you for the question.

On motion of Senator Carstairs, 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 Dyck*)

Hon. Lillian Eva Dyck: Honourable senators, it is my pleasure to join the debate on the inquiry of the Honourable Senator Comeau calling the attention of the Senate to the debilitating effects of arthritis and its effects on all Canadians.

Honourable senators who have participated in this debate so far have done an excellent job in outlining the various forms of arthritis, the incidence of arthritis, its differential impact on women and Aboriginals and the lack of equitable funding for arthritis research compared to other diseases such as cancer, diabetes and so on.

I have been contacted by people from Saskatchewan who have asked me to speak to this inquiry and to lobby for more funds to support arthritis research. I met with Anne Dooley, the President of the Canadian Arthritis Patient Alliance, and she provided me with lots of information on arthritis.

Today, I will focus my comments on the greater impact of arthritis on the Aboriginal population. I will also discuss the need for improved information about arthritis on the web, particularly with respect to the Health Canada website.

First, I will review two major forms of arthritis, using information from the Arthritis Society of Canada website. The most common kind of arthritis is osteoarthritis. It affects 1 in 10 Canadians, about 3 million of us; and it affects men and women in equal numbers.

Most people develop osteoarthritis after the age of 45, but it can occur at any age. According to the Public Health Agency of Canada, 85 per cent of Canadians will be affected by osteoarthritis by age 70.

Osteoarthritis is caused by the breakdown of cartilage. Pieces of cartilage may break off and cause pain and swelling in the joint. Osteoarthritis usually affects the hips, knees, hands and spine. Being overweight can increase the risk of osteoarthritis. As well, joint injury or repeated overuse of a joint can damage its cartilage and lead to osteoarthritis.

The warning signs of osteoarthritis are pain, stiffness and swelling around a joint that lasts longer than two weeks. As mentioned above, the joints that are usually affected are the hips, knees, feet and spine, though the finger and thumb joints may be affected also.

The second type of arthritis I will talk about is rheumatoid arthritis, which is an autoimmune disease characterized by redness, pain, swelling or a feeling of warmth or heat in the affected joint. The hands or feet are the most commonly affected.

Rheumatoid arthritis affects 1 in 100 Canadians, about 300,000 people, and women are three times more likely than men to be affected. Most people develop rheumatoid arthritis between the ages of 25 and 50. The warning signs of this type of arthritis are morning stiffness that last more than 30 minutes, pain in three or more joints simultaneously, joint pain lasting all night long and pain in the same joints on both sides of the body.

In general, the key risk factors for the development of arthritis are age, excess weight, injury and complications from other conditions, heredity and lack of physical activity. Preventive measures include exercise such as walking, cycling and swimming, and maintaining a healthy body weight.

As was mentioned previously by other honourable senators, the incidence of arthritis is two and a half times higher in the off-reserve Aboriginal population than in the rest of the Canadian population. Yet, this fact seems to go unnoticed. However, this situation may not be surprising, given the general lack of awareness concerning the incidence and seriousness of arthritis compared to other chronic diseases such as cancer and diabetes.

So far, only limited data on the prevalence of arthritis in the off-reserve Aboriginal population has been collected. The age-standardized prevalence of arthritis was 27 per cent in the Aboriginal population, and 16 per cent in the non-Aboriginal population. The standardized prevalence of diabetes was above 9 per cent in the Aboriginal population, and 5 per cent in the non-Aboriginal population. In other words, arthritis was a far more common chronic medical condition than diabetes in the Aboriginal population.

Though it is well known that diabetes is more prevalent in the Aboriginal population, it is not common knowledge that arthritis is also more prevalent in the Aboriginal population — and that it is more prevalent than diabetes. In addition, it is noteworthy that the most common chronic medical condition for Aboriginals is arthritis, and for non-Aboriginals it is allergies.

According to a news report last month, the severe forms of arthritis are five times more common in Aboriginals than in non-Aboriginals. This situation can be attributed to the inheritance of the gene associated with rheumatoid arthritis, which is present in as many as 70 per cent of the Aboriginal population.

There are also clear gender differences in the self-reported prevalence of arthritis in Canadians 15 years of age and over. In women, the incidence is nearly 20 per cent; while in men, it is only about 12 per cent.

Most people who have hip or knee replacement surgery — 90 per cent — have arthritis. Studies show that women are more likely to be recommended for surgery when their arthritis is at a more advanced stage than it is for a man. In other words, men are recommended for surgery at an earlier stage of disease progression than is the case for women. Similarly, a recent study shows that a man with moderate arthritis is twice as likely to be recommended for knee surgery than a woman with moderate arthritis. This gender discrimination may be due to subconscious bias on the part of physicians and, in my opinion, it may also reflect gender differences in assertiveness. Perhaps men are more vocal than women in articulating their pain or in asking for surgery.

• (1450)

Honourable senators, after reviewing the information sent to me and the comments of other honourable senators, I decided to search the web using PubMed, a search engine for biomedical research publications. In the last year there were 775 reviews of arthritis in humans but, of those, only nine papers were listed on Aboriginals and arthritis. Only two of these were published by Canadians. When I checked for First Nations and arthritis, eight other publications were identified. However, I found something interesting: There were 77,932 publications on women and arthritis. My interpretation of these numbers is that there is a crying need for more research on arthritis in Aboriginals.

I then checked the website for the First Nations and Inuit Health Branch, known as FNIHB, to see what information was posted on arthritis. I was surprised by what I found. On the main page there is a list of diseases of interest, but arthritis is not on the list. Diabetes, HIV/AIDS, influenza, tuberculosis and West Nile Virus were listed but not arthritis.

Given the greater incidence of arthritis in the Aboriginal population and the greater prevalence of arthritis compared to diabetes in the Aboriginal population, one would expect to find information about arthritis on the FNIHB website. Perhaps if and when this inquiry is the subject of a Senate committee report, it should be recommended that the FNIHB website be revised to include prominent information on arthritis.

I next checked the Health Canada website for information about arthritis. Once again, arthritis was not in the main list of diseases but was included under other diseases. Diabetes was, however, included in the main list of diseases. As above, I would argue that given that the incidence of arthritis in the Canadian population is 16 per cent and the incidence of diabetes is less, at 5 per cent, Health Canada's website ought to include arthritis as a separate listing on the main page and not relegate it to a sub-listing under other diseases.

Honourable senators, it is quite clear that the incidence of arthritis and its cost to the physical, emotional and psychological health of Canadians is under-recognized. As has been stated previously, in 2000, nearly 4 million Canadians reported arthritis as a chronic health condition. As stated previously, 85 per cent of Canadians will be affected by osteoarthritis by age 70. The Canadian population is aging. We cannot afford to be complacent.

The Alliance for the Canadian Arthritis Program has outlined three priorities for immediate action. I commend the alliance for the work they have done and the excellent information they have provided. Their three immediate priorities are: First, every Canadian must be aware of arthritis; second, all relevant health professionals must be able to perform a valid, standardized, age-appropriate musculoskeletal screening assessment; and third, every Canadian with arthritis must have timely and equal access to appropriate medications.

I emphasize that the phrase "every Canadian" includes all of us: men, women, Aboriginals and non-Aboriginals. I am in favour of this inquiry being sent to a Senate committee for further investigation, and that a report with recommendations for action be undertaken by such a committee.

Hon. Sharon Carstairs: Honourable senators, I wish to say a few words about this extremely timely inquiry. As we have been engaged in our study of aging, arthritis is one of the debilitating diseases that was identified by a number of witnesses. As Senator Dyck indicated so well in her remarks, it is true that arthritis has been identified as significant not only by the Aboriginal community but by other communities as well.

To some degree, I think arthritis is the “forgotten disease.” Perhaps this is because although many of us have arthritis to a minor degree we go about our daily lives and are not particularly affected by it.

Diabetes has become much more “in the eye of the beholder,” if you will, for several reasons. First, it is rampant in our Aboriginal communities and has become extremely active among non-Aboriginal Canadians over a certain age. Additionally, diabetes is directly tied to the issue of diet and weight. Interestingly enough, in my family, my father was a diabetic and my older sister became a diabetic at exactly the same age that my father became a diabetic. Both of those cases led to their eventual death by stroke, which is an unfortunately all-too-often progression of diabetes.

Arthritis, on the other hand, is a disease in which people become more and more debilitated but frequently do not die specifically of arthritis; they tend to often die of something else. That does not mean, however, as Senator Dyck said so eloquently this afternoon, that arthritis is a disease that can be ignored, particularly in a community and a society that is aging. We know that people with arthritis become more and more limited in terms of their physical ability. They are limited in terms of their ability to walk. They frequently have difficulty with the use of their hands. They become debilitated in terms of being able to get out and about within their community. That has a significant effect on the deterioration of the rest of their lives.

Therefore, I thank Senator Dyck for bringing this matter to our attention this afternoon. If I am not mistaken, I think Senator Keon has in the past brought the issue of arthritis to the attention of honourable senators.

I hope that our report due out in September will address the fact that Canadian society is not adequately addressing the demographic changes that are evident. We are not putting in place the resources and programming that will meet the needs of an aging society.

On motion of Senator Eggleton, debate adjourned.

• (1500)

POST-SECONDARY EDUCATION

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Hubley, calling the attention of the Senate to questions concerning post-secondary education in Canada.—(*Honourable Senator Andreychuk*)

Hon. Catherine S. Callbeck: Honourable senators, this inquiry stands in the name of Senator Andreychuk but it is my

understanding that she has yielded so that I may speak today and that the debate will stand in her name.

I thank Senator Hubley for initiating this inquiry and I commend her on her genuine interest in post-secondary education. As the honourable senator mentioned, it has been more than 10 years since the completion of important work of another Islander, the late Dr. Lorne Bonnell, and his Special Committee on Post-Secondary Education. In September 1997, the committee released a report entitled, *A Senate Report on Post-Secondary Education in Canada*.

We all know the importance of post-secondary education to the future prosperity of this country. As I have said before, university graduates who work full-time will earn about \$1 million more over the course of their careers than people with only a high school education. Every year, college graduates earn \$3.7 billion more than they would if they had stopped after high school. The advantages to individuals go well beyond annual income. Those with post-secondary education are healthier, have a higher quality of life and are employed in higher-paying, more-fulfilling jobs. In fact, all Canadians benefit from the work of these graduates. People with post-secondary education increase the country's productivity and economic prosperity. In addition, they contribute to 33 per cent of this country's tax base, which funds our social and other government programs.

There are many issues to be discussed under post-secondary education. Today, I will focus on federal financial support to the provinces and on the challenges facing Canada's post-secondary institutions. One of our greatest challenges is the issue of jurisdiction. The provinces have exclusive constitutional authority over education. However, because of the importance of post-secondary education to the national social and economic interest, the federal government has helped to support it since shortly after Confederation.

The government has undertaken many initiatives, including the establishment of the Royal Military College in Kingston in 1876, which opened with a class of 12 students; the provision of grants after 1910 to develop agricultural techniques and training; and the upgrading of vocational, technical and industrial education. After the Second World War, the federal government provided an annual grant of \$150 for each veteran student. From 1957 until 1967, the Canada Council distributed funds for its University Capital Grants Program, and in the 1960s and 1970s, the Canadian Mortgage and Housing Corporation provided loans to help build university residences.

Beginning in 1951, the federal government established a grant program that provided funds directly to educational institutions to pay for operating costs. In 1967 under the Federal-Provincial Fiscal Arrangements Act, the federal government began a system of cost-sharing transfers to the provinces for the purpose of, among other things, the funding of post-secondary education. Over the years, that funding model has evolved but the federal government has remained a key partner with the provinces.

Since 1977, federal support for provincial activities in post-secondary education has been provided through a combination of cash transfers and the vacating of “tax room” to enhance the revenues of the provincial government. This fact has been discussed many times in this chamber, most notably through Senator Moore's inquiry on the Canada Social Transfer last spring. One of the most important parts of this process was the

recognition that a tax point in one province might be worth considerably less than in another province. The funding formula was designed to take this difference into account, ensuring that provinces with weaker fiscal capacity were not penalized for the lower value of their tax points. This formula resulted in a transfer that helped provincial governments to provide post-secondary education to its population on a more equitable basis.

That cash-and-tax-transfer arrangement in various forms had been in place since 1977. However, in Budget 2007, that equality came to an end with the implementation of a new way to calculate the Canada Social Transfer. Several senators and I expressed concern at the time that the new approach would not serve the fundamental objectives of equity and fairness.

The government has shifted gears away from a funding formula that takes into consideration the fiscal capacities of the provinces to a formula based on a per capita cash transfer. Each province, regardless of its fiscal capacity, receives the same amount per capita in cash transfers. This situation has resulted in a huge windfall for Canada's two richest and largest provinces, Alberta and Ontario, and it leaves smaller provinces on a less equal footing.

As Senator Moore said, the value of federal funding invested in post-secondary education in Atlantic Canada is immeasurable. I am concerned that the new per capita approach threatens the ability of some provinces to maintain quality post-secondary education for their residents. I know from personal experience the difficulties in delivering health and social services and investing in post-secondary education. With small populations, I worry that this new system will impact negatively on Prince Edward Island and the other Atlantic provinces.

Even without the negative impact of the per capita Canada Social Transfer in most provinces, Canadian universities already face various challenges in delivering quality education to their students. In 2006, more than 1 million students were enrolled in universities and colleges in Canada. That number is an increase of 31 per cent since the year 2000. According to *Trends in higher education, Volume 1*, published by the Association of Universities and Colleges of Canada, the AUCC estimates that by 2016 enrolment rates will increase from 9 per cent to 18 per cent. Even in light of the fact that the population of young people is beginning to decline, participation rates are still expected to increase.

With increased participation rates come other challenges, one being the added strain on universities and their faculties. Currently, there are nearly 41,000 faculty in Canadian universities. Between 1998 and 2006, the number of faculty grew by 21 per cent, while enrolment over the same time increased 37 per cent to its highest point. Student-faculty ratios continue to grow and are now higher than ever before.

Post-secondary education faces serious faculty shortages in the near future. In 2005, one third of all faculty were 55 years old or older while only 20 per cent were under the age of 40. In addition to the faculty that will need to be hired to keep up with enrolment increases, it is expected that approximately 21,000 new faculty members will need to be replaced over the next 10 years because they will retire or leave for other reasons. There will be a huge demand for both undergraduate and graduate faculty members.

We need to produce more graduates and post-graduates to meet not only this faculty shortage but also the growing demands of the general labour market. According to the AUCC, by 2016 we will need an increase of at least 35 per cent in master's and doctoral graduates to meet Canadian labour market demands. Unfortunately, we lag behind in this regard. On a per capita basis, Canada produces 50 per cent fewer master's graduates and 30 per cent fewer PhDs than the United States.

Research is one of faculty's key responsibilities and Canada's research capabilities will be affected if we do not have enough qualified people to fill these roles. This research is so important because, as the AUCC has stated, its results help to increase the country's productivity and economic growth; helps to improve Canada's overall health; and helps us to develop sustainable use of our environment and natural resources.

When Robert Best, Vice President, National and International Relations Branch of the Association of Universities and Colleges of Canada, appeared before the Standing Senate Committee on Social Affairs, Science and Technology in January, he stated:

Canadians' standard of living depends increasingly on our competitiveness in the global knowledge economy. To maintain and enhance the standard of living Canadians currently enjoy, we must secure our position among the world leaders in research.

Fully one third of all research in Canada is done in our universities. However, another challenge faced by these institutions is the inherent cost of performing this research. While funding may be received for the research, universities must pay the costs needed to create these opportunities in the first place, such as the costs of operating and maintaining their facilities and the cost of administration.

• (1510)

Currently, the federal Indirect Costs Program reimburses universities for a share of their direct costs. In 2007-08, the indirect costs reimbursement budget was \$315 million, and the average reimbursement rate was 25.4 per cent. However, universities are still having a hard time with these indirect costs. In the United States, these costs are reimbursed at a rate nearly double of that in Canada. In order to compete, Canadian universities have been asking for a reimbursement rate of 40 per cent to be more competitive with our neighbours to the south. In the recent budget, \$15 million was added to the Indirect Costs Program. That is a step in the right direction, but it really does not have much effect on the reimbursement rate as more is being spent on research.

Honourable senators, we need to look at the larger picture of federal investment in post-secondary education. We have to consider the challenges faced by provincial governments, by post-secondary institutions and, most of all, by students. As we know, this country's overall productivity, prosperity and sustainability rests on our ability to overcome these challenges. We must consider the importance of post-secondary education, and we must act because our prosperity and our competitiveness in the global economy depend on it.

Hon. Anne C. Cools: Honourable senators, a bad practice is developing here, that when an item is being held in the name of a senator, increasingly, other senators are rising and speaking to it, and then a new senator takes the adjournment. I do not know if

Senator Comeau was about to do that, but I want to take the opportunity to make the point that the senator who rises is supposed to announce that the senator in whose name the order stands has yielded the floor to him or her and that the item should fall back to that senator who was holding the adjournment. I am not questioning if that is what is happening here, but I have seen this happen about four times in the last few weeks.

On motion of Senator Andreychuk, debate adjourned.

[Translation]

CANADA PENSION PLAN

SENIOR'S BENEFITS—INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Callbeck, calling the attention of the Senate to the thousands of Canadian seniors who are not receiving the benefits from the Canada Pension Plan to which they are entitled.—(*Honourable Senator Robichaud, P.C.*)

Hon. Fernand Robichaud: Honourable senators, I do not want to pass up this opportunity to say a few words about this inquiry. I have become part of the age group that benefits from these programs; a number of my friends are in this age group and the situation this age group finds itself in has always been a concern of mine. I am particularly aware of the thousands of people who

have worked hard and contributed to the Canada Pension Plan and are not receiving the benefits to which they are entitled.

I would like to commend Senator Callbeck for placing this inquiry on the Orders of the Day because the number of seniors who are not getting their due is too high. The statistics are reliable and the fate of these people should compel us to take action.

Honourable senators will probably remember that the Leader of the Government in the Senate unfairly accused Senator Callbeck of being misinformed, instead of welcoming her comments as an opportunity to resolve a deplorable situation that affects far too many seniors.

I believe, honourable senators, that it is high time for this government to stop blaming others for existing problems and start taking its responsibilities seriously instead of trying to justify its inaction.

I am currently reading the ninth report of the Standing Senate Committee on National Finance entitled, *Report on the Financial Security for Seniors: Entitlements and Retroactivity Provisions under the Canada Pension Plan*. I intend to say more about the matter to elaborate on my comments. I therefore move that further debate be adjourned to the next sitting of the Senate for the time I have remaining.

On motion of Senator Robichaud, debate adjourned.

The Senate adjourned until Thursday, April 3, 2008, at 1:30 p.m.

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