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THE HONOURABLE NOËL A. KINSELLA
SPEAKER

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THE SENATE

Monday, July 12, 2010

The Senate met at 2 p.m., the Speaker in the chair.

Prayers.

[Translation]

BUSINESS OF THE SENATE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, there have been consultations among the parties, and it has been agreed that photographers may be allowed on the floor of the Senate for this afternoon's meeting so that they may photograph the swearing-in of the new senator with as little disruption as possible.

[English]

NEW SENATOR

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received a certificate from the Registrar General of Canada showing that Salma Ataullahjan has been summoned to the Senate:

INTRODUCTION

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

The following honourable senator was introduced; presented Her Majesty's writs of summons; took the oath prescribed by law, which was administered by the Clerk; and was seated:

Hon. Salma Ataullahjan, of Scarborough, Ontario, introduced between Hon. Marjory LeBreton, P.C., and Hon. Doug Finley.

The Hon. the Speaker informed the Senate that the honourable senator named above had made and subscribed the declaration of qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

• (1410)

CONGRATULATIONS ON APPOINTMENT

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, it is with great pleasure that I rise today to welcome the Honourable Salma Ataullahjan to the Senate of Canada.

On Friday, July 9, Prime Minister Stephen Harper announced that Salma would be filling the vacant Senate seat for the province of Ontario. I am sure that Senator Ataullahjan's service to the South Asian community, the Greater Toronto Area and the wider community will continue here in the Senate.

Senator Ataullahjan brings a unique perspective to the Senate. Coming from Pakistan to Canada 31 years ago, she made Canada her home and has worked hard and achieved so much. She has

served within many organizations, including on the executive of the Society of Pakistani Canadian Professionals & Academics, as founder and chairperson of the Parent Council of David Lewis Public School, and as a member of the South Asian Regional Council. Senator Ataullahjan is also a former president and current Vice-President of the Canadian Pashtun Cultural Association and is on the executive of the Toronto chapter of The Citizens Foundation. The Citizens Foundation is a charitable organization that constructs schools in the poorest areas of Pakistan.

Senator Ataullahjan is also an accomplished painter. I am told that she specializes in water colours — a favourite of mine, by the way.

Senator Ataullahjan is also a wife and mother. She and her husband, Saleem, who is in the gallery, have two children, Anushka and Shaanzeh, who are also in the gallery with many family members and friends, including her brother, who she tells me drove with his wife from Boston, Massachusetts, to attend this ceremony.

Senator Ataullahjan will be a welcome and invaluable addition to the Conservative caucus in the Senate, bringing her experience as a consensus-builder, artist, activist, mother and proud Canadian.

On behalf of the government and the Conservative caucus, I would like to welcome Senator Ataullahjan to the Senate. We very much look forward to working with her in the months and years ahead.

Thank you, senator, for undertaking this great task.

SENATORS' STATEMENTS

BRITISH COLUMBIA FORESTRY INDUSTRY

Hon. Gerry St. Germain: Honourable senators, times continue to get tougher for the once mighty forest industry in my home province of British Columbia. The past two decades have not been kind to the industry that once claimed to be the revenue source for more than 80 per cent for every provincial tax dollar. Abysmal NDP government policy during the 1990s, international boycotts, market crashes, mill closures and the spread of the mountain pine beetle have all taken their toll on the industry that built British Columbia.

Some honourable senators may recall a statement I made in the spring of 2008 when Canfor's plywood mill located in Prince George burned to the ground. That mill employed over 350 people. Later in the summer of 2008, Canfor announced that it would not rebuild the Prince George mill, citing poorer than expected market conditions.

The latest casualty is the Elk Falls paper mill on Vancouver Island. The mill's operator announced last week that it will permanently cease operations this September, ending the mill's 60-year history and displacing 100 direct workers.

Honourable senators, when the forest industry takes a hit, it is the communities — the one-horse towns, the small places — that rely on the spinoff economic benefits that take the blow. The number of people employed by the industry has dropped 26 per cent since 1995 across the province and by 56 per cent in the B.C. coastal region alone.

While mill closures are affecting the present, the pine beetle continues to threaten the future. A report recently produced by the International Wood Markets Group states that the devastation caused by the pine beetle could close an estimated 16 interior sawmills by 2018. The report also states that the pine beetle could claim up to 1 billion cubic metres in damaged wood supply.

Honourable senators, in the face of less than optimistic news, our provincial and federal governments must pay critical attention to the future of the B.C. forest industry. Diversification of all local economies must continue if we are to successfully stave off a major crisis in the B.C. hinterland. This devastation has also greatly impacted our First Nations people. Their way of life has been endangered by the devastating effect of the pine beetle infestation. Hopefully, all financial commitments made by governments regarding funding assistance as a result of the mountain pine beetle devastation will be honoured.

G(IRLS)20 SUMMIT

Hon. Rod A. A. Zimmer: Honourable senators, I would like to call the attention of my colleagues to a one-of-a-kind event that took place in Canada called the G(irls)20 Summit.

With the support of more than 40 not-for-profit and private sector entities, the Belinda Stronach Foundation, of which I am proud to be a board member, launched the G(irls)20 Summit 10 days before the G20 summit opened in Canada.

The G(irls)20 Summit showcased the prowess of the 3.3 billion girls and women worldwide, and resulted in concrete, measurable and empowering ideas which have been captured in its communiqué available at www.girlsandwomen.com.

Honourable senators, from June 16 to 25, one girl from each of the G20 countries, plus one representing the African Union, all between the ages of 18 and 20, came together to discuss, debate and recommend how girls and women are essential to confronting global challenges and why it is important that we empower them economically, politically and socially.

These girls visited the Senate and were hosted by Senator Frum, as I was out of the province as guest speaker to another charitable organization. Thank you, Senator Frum.

I want to take this opportunity to thank the Honourable Belinda Stronach and Ms. Farah Mohamed, President of the Belinda Stronach Foundation, for their vision and leadership in creating and hosting this important world initiative.

The world's population is predominantly female. This is a valuable resource. If we are serious about economic productivity, political stability and social advancements in all corners of the world, then we must properly support our greatest resource: people.

Honourable senators, please join me in congratulating the girls who represented their countries, along with the Belinda Stronach Foundation and the various organizations that worked together to launch the first ever G(irls)20 Summit.

Next stop: France, June 2011.

IRAN

SENTENCING OF MS. SAKINEH ASHTIANI

Hon. Linda Frum: Honourable senators, I rise today to condemn, in the harshest possible terms, the death sentence awaiting Sakineh Mohammadi Ashtiani, the Iranian woman who has been convicted of adultery by a court in the Iranian city of Tabriz and has been sentenced to a punishment of death by stoning.

Honourable senators, it now appears that due to intense international pressures, the stoning of Ashtiani has been halted, at least for the time being. However, her death sentence for the crime of having an illicit relationship with two men not her husband, for which she has already received the punishment of 99 lashes, remains. Furthermore, there are reports that at least another 15 Tabriz women are also awaiting execution for the crime of adultery.

Honourable senators, it is self-evident to any civilized human being that death by stoning is a heinous, savage punishment steeped in misogyny. However, even if Ashtiani is not murdered by stones, it appears she will be murdered for her crimes.

• (1420)

Those of us privileged to live in freedom and who cherish the principles of justice, which are the underpinning of Western law, must speak out, not only against barbaric forms of execution but also against the application of primitive religious laws for the purposes of suppressing the dignity and liberty of women, particularly in the Islamic world.

NUTANA COLLEGIATE

CELEBRATION OF ONE HUNDREDTH ANNIVERSARY

Hon. A. Raynell Andreychuk: Honourable senators, Nutana Collegiate, the high school on a hill by the bridge in Saskatoon, celebrated its one hundredth birthday, marking a centenary of education in Saskatoon. The site of the school is linked with the founding of the city. It is where Chief Whitecap of the Dakota First Nation and temperance colony leader John Lake met in 1882, to decide upon the best place to build a settlement, resulting in the founding of Saskatoon.

Nutana Collegiate is honoured to have amongst its alumni former Prime Minister John George Diefenbaker; former Governor General Ramon Hnatyshyn; former Chief Justice Emmett Hall; and many ministers, senators, authors and Olympians. As a graduate of the school and a patron of the celebration, I was proud that so many well-known Canadians were shaped by their experience at Nutana Collegiate who, in turn, went on to shape Canada.

As the current principal of Nutana Collegiate, Dr. Shirley Figley, stated to the alumni and former staff who returned:

... you will be pleased to know that the most important hallmarks for the past remain the same at Nutana Collegiate today. Some of these are: A strong academic tradition continues; we still award a governor general's bronze medal to the graduating student with the highest average — this June it went to a young woman with an overall average of 97% who has aspirations to enter the college of medicine; many students continue to receive scholarships to further their education. . . ; strong relationships and memories continue to be formed between students and between students and staff members and loyalty to the school continues.

The school continues to have annual ceremonies for Remembrance Day. Its famous memorial art collection continues to play a prominent role. Principal Figley, having told us how the school had stayed the same for 100 years in operation, then talked about the changes in the school.

What is unique about Nutana Collegiate is that the traditional school model began its remarkable change in the late 1980s. Some of the students who continued to attend Nutana were not having as much success getting to and staying in schools as in the past. Amid rumours that the school could close, the wise staff at the time began to ask the students how they could be served better in the 1990s.

Two significant responses to that student voice turned things around at Nutana.

The first was that the students had said that the two-semester approach could be a challenge for them to complete their education, so a four-term system with flexible enrolment was created. The quarter system worked for youth who had challenges with longer time periods, but it also turned out that it worked for students who needed to come back to take one class required for a post-secondary program and to upgrade former marks. The result of the change is that now approximately 1,550 students go through the halls of the school each year, typically with 650 students in attendance during one quarter.

The second biggest change involves the many services now offered to students within the school by community partners. This model is called the integrated school linked services model. This model, too, was developed in the 1990s by listening to students who told the staff about some of the barriers keeping them from school, issues such as health care, child care and parenting. These services are now integrated into the school system.

I laud all of the students of Nutana, both present and past.

IRAN

SENTENCING OF MS. SAKINEH ASHTIANI

Hon. Daniel Lang: Honourable senators, I rise today to add my voice to Honourable Senator Frum's condemnation of the Iranian government and its intention to stone to death Ms. Ashtiani, an Iranian mother who is purported to have had an "illicit relationship." As Senator Frum stated earlier, she has already endured 99 lashes in 2006.

As many honourable senators know, the people of the world are rising up against these inhumane actions of the Government of Iran and have started an online petition for the world community to sign, signifying their objection to these unspeakable actions and to let this rogue state know that people from all over the world are horrified by the actions of their government.

On Saturday, Val and I signed the online petition, which at that time had 39,000 signatures. Less than 48 hours later, the online petition is up to over 68,000 signatures and growing by the minute.

I believe it is imperative that as many people as possible sign this petition. I ask all honourable senators to add their signature to this petition and let the people of their regions know that this website exists and that they, too, can register their voice in opposition to this outrageous, barbaric practice. Senators can sign the petition at www.freesakineh.org.

[Translation]

Hon. Céline Hervieux-Payette: Honourable senators, I join my colleagues in denouncing the mockery that is another country's legal system, which my colleagues have characterized as barbaric towards women and girls in that country. This is not a political statement; it is a humanitarian statement. No one has the right to take another person's life.

We must remember that Canada only officially abolished the death penalty in the 20th century. In this case, it is even more inhuman to see a 43-year-old mother go through this nonsense being reported in the news. Her children and her husband have all spoken up on her behalf. She has already received a terrible punishment. I remind honourable senators that the whip was also used in Canada until the last century, when it was abolished.

As a Quebecer, I can say that the alliance of church and state has never been a good idea and has never done much for humanity. Instead, it led to the subjugation of women, which was certainly not in the best interests of humanity.

I must say that I sympathize with this woman and all women facing the same punishment, whether in that country or another. I have seen terrible photographs of such punishments. Naturally, I have signed the petition. On the weekend, I contacted all my friends to that end. I salute the fact that the Prime Minister's wife,

Ms. Harper, also supports this cause. We are all united in seeking to abolish this barbaric act carried out in that country once and for all. We will all pray that the punishment is not meted out.

CANADIAN ECONOMY

Hon. Suzanne Fortin-Duplessis: Honourable senators, Canada is in the best fiscal health by far of all major industrialized nations. Our country did not experience a banking crisis in 2008 and, despite its vulnerability because of the weakness of the American economy, emerged from the recession in the third quarter of 2009.

Canada is now leading the fight against the tax and spend programs that some of the most powerful G20 members would like to implement. Canada's gross domestic product decreased the least of all the G8 nations. Canada has already made up all the economic ground lost during the recession. Economic growth was 6.1 per cent in the first quarter — the best result in 10 years. In less than a year, Canada was able to recover 75 per cent of the 380,000 jobs lost in the recession. Canada is becoming fertile ground for corporate investment because corporate taxes are the lowest in the G8 countries.

• (1430)

Canada has the lowest debt level and smallest deficit of the G8 countries. The International Monetary Fund predicts that Canada will be the only G8 country to eliminate its deficit within five years.

More than any other factor, domestic demand will allow our economy to grow by 3.6 per cent this year, thanks to the rebounding economies of Ontario, Saskatchewan, Alberta and British Columbia, which were more affected by the recent recession than Quebec was.

Canada is also in a good position to begin its economic expansion in the second half of the year. Currently, real gross domestic product is 0.4 per cent short of its peak in the last cycle, that is, the third quarter of 2007. Domestic demand, which includes consumer, business and government spending as well as housing construction, is already expanding.

Employment recovery has made all the difference. In Canada, the job recovery rate is 0.8 per cent from its peak and in the United States it is 5 per cent. In half the provinces, including Quebec, all the lost jobs have been recovered. However, they are not necessarily the same jobs: the services sector is expanding, but the goods sector is still seriously lagging.

What sets Canada apart from the other Western powers is the exemplary order in its public finances. The fiscal restraint planned for next year will make our public finances the envy of the West.

Our government has given Canada sound policies to ensure our prosperity, including maintaining lower taxes and promoting free trade.

Prime Minister Stephen Harper's winning formula is clear: reduce taxes, limit stimulus spending, have a strong currency and promote freer trade.

[English]

FIFA 2010 WORLD CUP SOCCER PITCH GRASS

Hon. Donald Neil Plett: Honourable senators, let me start with thanking Senator Raine for offering that I make this statement, as opposed to her making it, and acknowledging her help in the writing of it.

I am sure many of you watched the World Cup final yesterday afternoon. Some senators from the West were unfortunately on an airplane and missed the exciting overtime goal that gave Spain their first ever World Cup title.

I wonder how many of you admired the beautiful green soccer pitch and if you knew that the seed that grew the turf came from Manitoba, making this Canada's contribution to the quality of the beautiful game we have been watching for the past several weeks.

The seed that created what has been referred to as the best turf ever was developed and grown in Manitoba by Pickseed Canada. One of Pickseed's sister companies, Seed Research of Oregon, worked for four years with FIFA to make the perfect blend of grass seed and then tested it on numerous soccer pitches in South Africa to ensure it could handle the traffic presented by some of the world's most famous athletes.

The result is a mix of two varieties of ryegrass provided by Pickseed and grown in the Manitoba communities of Beausejour, Ste. Anne, Starbuck, and a fourth farm in the Red River Valley. The blend of Zoom perennial ryegrass and SR4600 perennial ryegrass has excellent wear tolerance and also a quick re-growth. Being a fine-leaf grass, it has a nice deep green colour and has disease resistance built into it to control against bugs and fungal disease. Athletes report that it is very nice to run on and an ideal turf for soccer.

While Pickseed Canada's employees are ecstatic that their product was on display to the world for six weeks, it is not like it was a new endeavour for them. They have been seeding golf courses, sports fields and lawns since 1947. Even though Pickseed has customers all over the world, the World Cup contract is a big deal for the company. Its Canadian operations grew by more than 30 per cent last year and, from a monetary standpoint, the World Cup was good business.

For the employees, however, it was all about waving the Canadian and Manitoba flags. A company spokesman said:

We are very proud of doing this type of business. It conveys the message that we have the best quality seed and the best producers in the world.

FIFA General Secretary Jérôme Valcke agreed, saying that Cape Town's ryegrass pitch should be treated as a benchmark for the future.

Congratulations to the employees of Pickseed Canada and their seed producers in Beausejour, Ste. Anne, Starbuck and the Red River Valley.

[Translation]

ROUTINE PROCEEDINGS

THE SENATE

NOTICE OF MOTION TO SUSPEND TUESDAY'S SITTING FOR THE PURPOSE OF ANNOUNCING ROYAL ASSENT OR FOR ADJOURNMENT

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I give notice that, at the next sitting of the Senate, I shall move:

That at the end of the consideration of items on the Order Paper and Notice Paper on Tuesday, July 13, 2010, the sitting be suspended to the call of the chair, if either the Leader of the Government in the Senate or the Deputy Leader so request, to resume with a 15 minute bell;

That the provisions of rule 13(1) be suspended during this suspension; and

That when the sitting resumes it be either for the purpose of announcing royal assent or for the purpose of adjournment.

[English]

ABORIGINAL PEOPLES

STUDY ON FEDERAL GOVERNMENT'S RESPONSIBILITIES TO FIRST NATIONS, INUIT AND METIS PEOPLES—NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO TRAVEL DURING ADJOURNMENT OF THE SENATE

Hon. Gerry St. Germain: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That, pursuant to rule 95(3)(a), the Standing Senate Committee on Aboriginal Peoples be authorized to sit, outside the city of Ottawa, between Monday, October 4, 2010 and Friday, October 8, 2010, inclusive, for the purposes of its study of the federal government's constitutional, treaty, political and legal responsibilities to First Nations, Inuit and Metis peoples and other matters generally relating to the Aboriginal Peoples of Canada, even though the Senate may then be adjourned for a period exceeding one week.

QUESTION PERIOD

HEALTH

FIGHT AGAINST OBESITY

Hon. Catherine S. Callbeck: Honourable senators, my question is for the Leader of the Government in the Senate.

Two years ago, Health Canada's Advisor on Healthy Children and Youth, Dr. Kellie Leitch, recommended to the Minister of Health that large chain and fast food restaurants should disclose basic nutrition facts about their menu items, making sure it is done in a visible, easily accessible way. That recommendation has been endorsed by many groups, including the Dieticians of Canada and Ontario Medical Association. The need for this information has never been greater, as obesity is very quickly becoming a crisis in this country.

What steps is the government taking to fulfill the doctor's recommendations?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, Dr. Kellie Leitch's report was timely, important, and addressed a serious issue. The Minister of Health and her officials have been working with many of the stakeholders in devising a process by which we can address the serious matter of obesity. Senator Raine is championing this cause in this place. Other senators are also participating. The Minister of Health has also been interested in the work being done in the United States by the First Lady, Michelle Obama.

• (1440)

I would be happy to obtain an update on the progress the Minister of Health has made and what steps are being taken not only to properly identify the content of foods but also to address the serious situation of what is being put on the menus in our schools and other institutions. On the actual detail, honourable senators, I will take the question as notice.

Senator Callbeck: I thank the honourable senator for undertaking to obtain that information.

I am told that President Obama's new health care reform legislation requires labelling on menus, menu boards, and drive-through displays for large-chain and fast-food restaurants, which is similar to what Dr. Leitch recommended.

The leader has said she will look into what the government has done already and when we can expect progress on this issue. However, I would particularly like to know if the federal government has looked at the Obama initiative.

Senator LeBreton: I thought I had indicated that in my first answer to Senator Callbeck. Minister Aglukkaq has not only looked into the situation but has discussed the matter with the First Lady, Michelle Obama. The fact that the First Lady has given this important matter a high profile will help not only in the United States but in Canada as well.

Again, I will be happy to obtain updated information for Senator Callbeck.

FOREIGN AFFAIRS

STATUS OF OMAR KHADR

Hon. Mobina S.B. Jaffer: Honourable senators, my question is also for the Leader of the Government in the Senate.

Last Monday, Justice Zinn of the Federal Court of Canada gave the government one week to come up with a list of remedies for its violation of Khadr's constitutional rights. Today is the day of the deadline. It has been one week.

What exactly is the government's response to Justice Zinn? Today is our day to act. What is our government doing to bring Omar Khadr home?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, I will read into the record a statement made just a few moments ago by the Honourable Rob Nicholson, Minister of Justice and Attorney General of Canada:

After careful consideration of the legal merits of the July 5, 2010, ruling from the Federal Court, the Government of Canada will appeal the decision to the Federal Court of Appeal. This case raises important issues concerning the Crown prerogative over foreign affairs. As the Supreme Court of Canada ruled in an earlier case involving Mr. Khadr, 'it would not be appropriate for the court to give direction as to the diplomatic steps necessary to address the breaches of Mr. Khadr's Charter rights.' Omar Khadr faces very serious charges, including murder, attempted murder, conspiracy, material support for terrorism, and spying. The Government of Canada continues to provide consular services to Mr. Khadr.

Since the matter remains before the courts, I will make no further comment.

ENVIRONMENT

RENEWABLE ENERGY

Hon. Grant Mitchell: Honourable senators, after pretty much gutting the government's support of renewable energy projects in the last budget, the government has now turned around and is putting \$240,000 into polling Canadians on how they feel about renewable energy. It is the quintessential putting the cart before the horse.

Can the Leader of the Government in the Senate tell us why it is that, on the one hand, the government is gutting support to the non-renewable energy industry while, on the other hand, it is polling people to find out how they feel about the non-renewable energy industry?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, that is not factual. The research to which the Honourable Senator Mitchell refers supports the government's Speech from the Throne commitment of earlier this year to review energy-efficient and emissions-reduction programs for effectiveness.

Since 2006, the Government of Canada has invested more than \$10 billion to reduce greenhouse gas emissions and build a more sustainable environment through investments in green infrastructure, energy efficiency, clean-energy technologies and the production of cleaner energy and cleaner fuels. Canada's electricity supply is already one of the cleanest in the world and we plan on making it even better through regulation.

That is hardly gutting the energy policies; in fact, it is supporting them.

Senator Mitchell: About 99 per cent of the government's clean-energy policy relates to hydroelectric plants that are being developed in two provinces and with which the government has absolutely nothing to do.

My question relates to the continual refrain we hear from the government about how these programs are in place, that they are doing this and doing that, setting and changing objectives, and resetting different objectives.

On the government's website, where it reports on the Kyoto Protocol Implementation Act report, last year it was predicting a 52-megaton reduction in emissions for 2010. Now there is a new, actual figure of only 5 megatons.

Why would anyone believe what the leader and her cohorts in the other place say when they stand up, time after time, with the same tired refrain, and say, "We are doing this; we are doing that," when in fact the government achieved 10 per cent of the minimal objective that they themselves set?

Senator LeBreton: In the last question, Senator Mitchell spoke about the hydroelectric plants and said it has nothing to do with emissions. Cars and trucks are not hydroelectric plants and, as the honourable senator knows, we have made several substantive announcements on emissions of cars and trucks.

I will not rehash Kyoto. We all know that Kyoto was an agreement signed by the previous government, even though they had no intention whatsoever of living up to it. This government has said we will not sign agreements that we cannot live up to.

Since Senator Mitchell insists, I will again read into the record what we have accomplished for the environment since 2006. I will not go through the whole list, but I will mention a few accomplishments.

With the Copenhagen Accord, which for the first time includes all of the world's emitters, unlike Kyoto, we harmonized our emissions targets with the United States and introduced tailpipe emissions standards for passenger cars, light trucks and heavy-duty trucks. We established bio-fuel content regulations for diesel and gasoline.

Canada's national parks have been expanded by 30 per cent in just four years, including a massive expansion of the Nahanni National Park Reserve. Canada is the first country to protect a region from the mountaintops to the depths of the ocean floor, the Gwaii Haanas National Marine Conservation Area Reserve in British Columbia. Working with Nature Conservancy of Canada, our \$225 million Natural Areas Conservation Program has secured over 138,000 hectares, protecting habitat for 79 species at risk.

We introduced historical national waste water standards for sewage. We have a comprehensive action plan for clean water, which includes investing in clean water for Aboriginal communities.

That is just a small part of a very long list, honourable senators.

Senator Mitchell: Honourable senators, I can agree that that is just a very small part of what needs to be done. I thank the leader for that small list.

I do not wish to pick on the leader, but the government clearly does not understand what portion of that list has something to do with climate change, which is very small, and how much has to do with features of the environment other than climate change.

Why is the government not taking this \$240,000 and funds of this kind and putting them into a climate change instructional, educational program to convince Canadians, some of whom still believe climate change action may not be necessary, that action is necessary? In doing so the government may give itself a little more space to manoeuvre.

• (1450)

Senator LeBreton: As usual, Senator Mitchell attempts to put words in my mouth. Of course, that will not work. I referred to this as a very short list of the many things we have done.

With regard to climate change, the primary focus of the G20, as per its mandate, is to discuss the economy. That is our government's number one priority. However, as we anticipated, at the last G20 many other matters were discussed, including climate change.

On climate change, as I said earlier, our government supports the Copenhagen Accord which, for the first time, is a climate change agreement that includes all major emitters. That is what we are doing; we are being responsible and participating with our global partners on serious issues around the subject of climate change. That is the way it should be done — not by signing some agreement that we had no intention of ever living up to, one that left out the major emitters of the world.

PRIME MINISTER'S OFFICE

COMMENTS BY STAFF MEMBERS

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

Mr. Ben Hicks, a political staffer of Mr. Harper's, on his Facebook page, asks students to report on their teachers so that he and Kory Teneycke can dabble in a little McCarthyism. Here is a quote:

"If you have a teacher or examples of teachers who are trying to jam lefty philosophy down your throat please send me an email." Mr. Teneycke told a high school student at a conference in March, "I'd love to make them famous."

Can the leader tell us what will be done to teachers who present what Mr. Hicks and Mr. Teneycke call "lefty philosophy"? How will Mr. Teneycke and Mr. Hicks and the Conservative Party make teachers "famous"?

Hon. Marjory LeBreton (Leader of the Government): First, I have no idea what Senator Cordy is talking about. Second, it has nothing to do with government policy. I respond only on behalf of the government.

Senator Cordy: Honourable senators, Mr. Hicks is a political staffer of the Prime Minister. As a former teacher and parliamentarian, I find this witch hunt offensive. This is a smear against all hard-working teachers in Canada.

Does this mean, honourable senators, that if you are not a Conservative, this government will make personal attacks on you and your reputation? Does this mean, for example, that if a teachers' union invests in what Mr. Teneycke and Mr. Hicks consider "lefty business," they will become "famous"?

Senator LeBreton: Since Senator Cordy talks about witch hunts and personal attacks, how about this quote from her great leader, Michael Ignatieff, who says he kicked off a summer tour in Calgary by touting the Liberal's "positive message." He then compared the Prime Minister to the devil and said, as reported by the *Toronto Sun*:

"You know you smell the whiff of sulfur coming off the guy." In literature, the whiff of sulfur is often used to describe the devil and someone as well read as Ignatieff should know to choose his words more carefully.

If the honourable senator is talking about a "big lefty," I know exactly where Mr. Ignatieff got this. He got it from Hugo Chavez when he was referring to President Bush at the United Nations. Mr. Ignatieff should apologize for that.

FOREIGN AFFAIRS

STATUS OF OMAR KHADR

Hon. Joan Fraser: Honourable senators, I wonder if I could come back to the matter of Omar Khadr.

The Leader of the Government in the Senate quite properly says she will not comment on a matter before the courts. Obviously no one disputes the government's right to appeal a judicial ruling as a matter of law. That is not what I am talking about.

I am asking the leader about this government's policy, as distinct from its legal obligation, in the matter of Mr. Khadr. He is the last citizen of a democratic country stuck in Guantanamo, the last citizen of a democratic country whose government did not see fit to bring him home and deal with him in its own judicial system.

As I have listened over the years to the leader's responses on the matter of Mr. Khadr, I have thought they do not care about this Canadian citizen who was a child soldier under the influence of, shall we say, a unique family.

Would it be fair to say that the *Ottawa Sun* today summed up this government's view of Mr. Khadr with its elegant advice, and I quote, "screw him"?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, now the other side is asking me to answer for the editorial board of the *Ottawa Sun*.

Senator Fraser actually answered my question in her preamble. The policy of this government toward Mr. Khadr, who faces very serious charges, as we have said many times, is exactly the same as the policy of the previous government in dealing with Mr. Khadr when he was much younger.

Senator Fraser: As I think other people have said a number of times and I will say again, two wrongs do not make a right.

Senator LeBreton: Honourable senators, as I have said many times, Mr. Khadr faces serious charges. He is already engaged in the legal system in the United States. Minister Nicholson has put the government's position with regard to the Federal Court's proclamation last week and there is nothing much more to be said at the moment about the case.

[Translation]

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, pursuant to rule 27(1), I wish to inform the Senate that when we proceed to Government Business, the Senate will address the items in the following order: Motion No. 21, consideration of the sixth report from the National Finance Committee, dealing with Bill C-9, followed by the other items as they appear on the Order Paper.

JOBS AND ECONOMIC GROWTH BILL

ALLOCATION OF TIME FOR DEBATE— MOTION ADOPTED

Hon. Gerald J. Comeau (Deputy Leader of the Government), pursuant to notice of July 8, 2010, moved:

That, pursuant to rule 39, a single period of a further six hours of debate, in total, be allocated to dispose of both the report and third reading stages of Bill C-9, An Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures;

That if debate on report stage comes to an end before the expiration of the six hours, the Speaker shall put forthwith and successively every question necessary to dispose of report stage in accordance with rule 39(4);

That if debate on third reading comes to an end before the expiration of the six hours, the Speaker shall put forthwith and successively every question necessary to dispose of third reading in accordance with rule 39(4); and

That at the expiration of the six hours of debate the Speaker shall interrupt, if required, any proceedings then before the Senate and put forthwith and successively all questions necessary to dispose of report stage, if not yet disposed of, and third reading in accordance with rule 39(4).

[English]

Hon. James S. Cowan (Leader of the Opposition): Honourable senators, the government has moved a time allocation motion for a bill that should never have been introduced in the first place. Bill C-9 is an abuse of Parliament, and with this decision to curtail debate, the government has compounded that abuse. It is once again demonstrating its determination to slam through its agenda without listening either to Parliament or to Canadians.

• (1500)

There has been much talk — Senator Stewart Olsen likes to chirp from the back row. May I suggest that she stand on her hind legs and participate in a debate for a change?

Senator Ringuette: She never does.

Senator Di Nino: Them is fighting words.

The Hon. the Speaker: Order, order.

Hon. Carolyn Stewart Olsen: Honourable senators, I would like the opportunity to speak.

The Hon. the Speaker: Order, order.

Senator Cools: She asked to speak.

The Hon. the Speaker: Honourable senators, this debate proceeds as follows: The leader on each side has 30 minutes, and each honourable senator may have up to 10 minutes, and the debate will last for two and a half hours.

The Honourable the Leader of the Opposition.

Senator Cowan: Thank you, Your Honour.

There has been much talk over the years about whether this government harbours a hidden agenda for Canada. When a bill like Bill C-9 is introduced, a bill that one witness described as a Trojan Horse, there is small wonder that these fears exist.

To fully appreciate what the government is doing with this time allocation motion, we need to look at the bill itself. Bill C-9 was introduced as a budget implementation bill, but its unprecedented 900 pages, amending or dealing with some 78 statutes, and even enacting an entirely new statute, deals with a whole host of issues that have no business in a budget bill.

Selling off Atomic Energy of Canada Limited, watering down environmental assessments and changing the authorities of the post office — these issues are significant policy issues that should be brought individually before Parliament so that interested Canadians can make their views known. Then Parliament can decide on their merit.

Some Hon. Senators: Hear, hear.

Senator Cowan: Government proposes; Parliament disposes. However, this government, in its arrogance, refuses to listen to Parliament or to anyone else. If one plan is rejected, it finds another way to ram its agenda through.

Indeed, the government tried twice to pass its proposed legislation on Canada Post, but it could not persuade parliamentarians in the other place to support the move. Instead of accepting the views of the elected members of the other place, the government chose to do an end run around them and stuff these provisions into this budget bill. “Oppose us now,” the government taunts. Now, a sword of Damocles hangs over the other place. The government says, “Oppose this one provision and the country will be plunged into yet another expensive and unnecessary general election.”

Honourable senators, good public policy is not made this way. If these provisions did not belong in a budget bill before, then they certainly do not belong there now.

As for the AECL provisions, even the Minister of Natural Resources could not explain to the committee why the AECL provisions were included in the budget bill.

What is the government trying to hide by introducing a bill that is impossible to study properly in anything short of a few months? What is the government afraid that we will discover if parliamentarians are allowed to do their job with respect to the proposals in the bill?

I remind honourable senators that in 2008 Senator Goldstein discovered a small clause in a budget bill that would have given the government free reign to censor film and television projects it found morally offensive.

Senator LeBreton: It was put there by Sheila Copps.

Senator Cowan: That clause was buried in a long, omnibus budget implementation bill. What is the government afraid we will find in this one?

Senator Munson: Chirp, chirp.

An Hon. Senator: Nothing.

Senator Cowan: Senator Gerstein has regaled us with historical references going back to 1763 in his valiant effort to defend this indefensible bill. In particular, he cited a budget bill on “Price of bread, etc.,” introduced under King George III. He neglected to mention that the King’s approach to budget matters was not universally appreciated by his subjects. Indeed, it led to the Boston Tea Party and the American Revolution.

Some Hon. Senators: Hear, hear!

Senator Cowan: I am not sure, honourable senators, that we are well advised to look to that government for guidance on budgetary matters.

Let me refer honourable senators to another even older historical document, the Magna Carta of 1215.

An Hon. Senator: I was not alive then.

Senator Cowan: That was when the barons established the Great Council to protect the people from the government of the hated King John. Our role as parliamentarians to hold the government to account for the public purse can be traced back to the Magna Carta. That responsibility to hold the government to account for the public purse is one of the most fundamental duties we owe to Canadians, yet the Harper government attempts at every turn to thwart our proper discharge of that role.

Since coming to power in 2006, the Harper government has used the vehicle of a budget bill, which is a matter of confidence in the other place but not here, as a means to pass numerous pieces of legislation that properly should be considered and debated on their own, without either the time pressures of a budget bill or the threat of a general election hanging over the debate.

Our Standing Senate Committee on National Finance has repeatedly protested this abuse of the budget bill process. The committee appended an observation to its report on the 2008 budget implementation bill, in which the majority of the committee strongly objected to this practice, but the government ignored that observation. In fact, the 2009 budget implementation bill took the Harper government even further. Our National Finance Committee reported that budget bill back to the chamber with the following observation:

Your committee feels that this practice of using omnibus bills to introduce budget measures has the effect of preventing Parliament from engaging in meaningful examination of the myriad policy proposals contained in them. In particular, the practice makes it almost impossible for committees to conduct a thorough study of the proposed legislation. The problem is further exacerbated by the inclusion of measures that are time-sensitive, or even urgent. Bill C-10 —

That is the 2009 budget implementation bill.

— was one of the worst examples of this practice. . . . There is no justification for governments to rush Parliament into adopting legislation in this way.

Little did the committee members realize that what they assumed then to be the worst example would pale in comparison to what has come this year. Bill C-10, the 2009 budget bill, was some 530 pages. This bill in 2010 comes in at almost 900 pages.

The highly respected Professor Ned Franks told the committee last week that Bill C-9 is “an omnibus bill to end all omnibus bills.” Colleagues, we can only hope that is the case. He said that budget bills, in his view, have now reached what he called a “state of abuse.”

What is next, honourable senators? Will we next find a budget bill that amends the Criminal Code, part of this government's supposed tough on crime agenda? Will we find its Youth Criminal Justice Act amendments in the budget bill? However, I bet that even then the government will refuse to disclose the true cost of its law-and-order agenda.

Senator Murray tried to split the bill. His motion was prepared carefully and would have divided Bill C-9 into several bills, one containing those measures that properly belong in a budget bill, which presumably would have been sent to our National Finance Committee, studied and, I believe, passed in a timely manner. Other measures that do not belong in a budget bill would have been grouped appropriately, separated out and sent for study to the committees whose members have the expertise to study and consider them properly.

Proceeding in that way would have allowed several committee studies to proceed simultaneously. Interested Canadians who want to be heard could be heard in a timely manner. I suspect that, had the government agreed with Senator Murray's proposal, all parts of the study could have been completed by now. Most important, these highly significant issues of national policy would have received the public debate and thoughtful consideration they deserve and require. Without question, the Canadian public interest would have been better served. That service was not to be.

Now, in a further attempt to muzzle public debate on these major issues, the government has brought this closure motion. Why did the government bring that motion, honourable senators? Is there some dire emergency? Are there benefits that will flow to Canadians only once this bill is passed, like last year?

An Hon. Senator: Yes.

Senator Cowan: No; in fact, there is no urgency. There is no reason why the bill could not have been dealt with in the fall. There is nothing in this bill, at least nothing that we were able to uncover so far, that requires immediate passage. Yet, not only were we pressured to conduct speedy, telescoped committee hearings on the numerous important matters covered by this gargantuan bill, but now we are told that the debate in this chamber must be truncated.

• (1510)

My friend opposite, Senator Finley, recently introduced an inquiry in this place on the importance of freedom of expression.

Senator Munson: How ironic.

Senator Cowan: That right, as I pointed out in my speech on his inquiry, began as the right of freedom of speech in Parliament. How ironic, but not surprising, that those same senators who so piously proclaimed their commitment to freedom of speech now seek to cut it off here today in this Senate.

Senator Cordy: Shame, shame.

Senator Munson: Not going to dance.

Senator Tkachuk: Just following your good example.

Senator Munson: No dance tonight.

Senator Cowan: I take comfort, honourable senators, in the knowledge that a number of our colleagues share my opinion about time allocation motions. Senator Kinsella repeatedly referred to such a motion as a guillotine imposed by the government in this house. Let me read to you from a speech he gave here on December 18, 2001. The bill he was speaking about then was Bill C-36, the Anti-terrorism Bill introduced by the Chrétien government in response to the terrible attacks of September 11, 2001. Yet, even those extraordinary circumstances did not, in Senator Kinsella's view, justify the imposition of time allocation. How much more outraged he must be today to see it imposed by his own government on a bill of no special urgency whatsoever.

Let me read to you what he said on December 18, 2001, at page 2158 of the *Debates of the Senate*:

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, we have arrived at the stage where the guillotine has been imposed by the government in this house, just as it was imposed in the other House.

Senator Lynch-Staunton: Shame!

Senator Kinsella:

. . . .

The government would move the guillotine to shut down debate and bring this bill to a vote, as they did in the House of Commons. . . . They have failed Canadians. . . .

That is what we are dealing with in the motion that is before us. It is using power to secure more power. It was not necessary.

Of course, Senator Kinsella was not alone in holding those strong views against the use of time allocation, even in such unusual circumstances as those surrounding 9/11. At page 2159, Senator Di Nino had this to say:

Some Hon. Senators: Oh, oh!

Senator Cowan:

Senator Di Nino: Honourable senators, of all the proceedings in this chamber, this is the one that disturbs me most. My friend, Senator Kinsella, has called this measure a "guillotine." It has been called "closure" and "time allocation." I call it the "muzzling of Parliament."

Some Hon. Senators: Oh, oh.

Some Hon. Senators: Hear, hear!

Senator Cowan: Honourable senators, I know you, like me, look forward to these colleagues speaking out again against the use of this guillotine on democracy and voting against this terrible motion.

Senator Munson: Yes. Hear, hear!

Senator Cowan: Many of the issues addressed in Bill C-9 have far-reaching implications for our country. They do not belong in a budget bill. Let me be clear: There are many problems with this bill. Only a few were addressed by the committee, the most egregious, which have already attracted the outrage of many Canadians.

However, even as the hearings were concluding, senators were discovering additional questionable provisions. By way of example, my colleague Senator Baker will speak later this afternoon on one of those.

Some Hon. Senators: Yes.

Senator Campbell: Do not miss this. Tickets are available.

Senator Cowan: It will be, he assures me, a brief intervention, but Senator Baker's interventions are always well worth listening to.

I know my colleagues will elaborate on the bill and explain why they defeated certain parts. I will confine myself to using two parts to illustrate the magnitude and significance of the issues that were included in this bill.

Atomic Energy of Canada Limited was established over 50 years ago as a research laboratory in Chalk River. It was, as witnesses described, a superstar in the world of science. People came from all over the world to work, research and learn there. I was told once that the small community around AECL had the highest concentration of PhDs anywhere in the country.

The committee heard that the nuclear industry in Canada is a \$6.6 billion a year industry. The minister said that the industry employs some 30,000 people. Other witnesses testified that, including spinoff industries, in fact more than 70,000 people are employed in well-paying, highly skilled jobs thanks to AECL. The industry pays over \$1.5 billion in taxes.

Honourable senators, the government gave this Budget Implementation Bill the lofty short title of "Jobs and Economic Growth Act." AECL supports many jobs, over 70,000, in fact, and \$6.6 billion a year is surely nothing to sneeze at, certainly not in a bill ostensibly aimed at jobs and economic growth.

Energy, especially clean, renewable energy, is one of the most important challenges facing our world. The Canadian nuclear industry produces 15 per cent of our energy needs, and it is generally accepted that demand for nuclear energy worldwide will only increase.

Yet, apparently in the short-term interest of addressing the large deficit which it itself ran up, the Harper government is prepared to have a fire sale of AECL. Even worse, as many of us read in *The Globe and Mail* last Friday, its actions in failing to support AECL are already having the effect of reducing the price that Canadians might see for this major asset.

Christopher Hughes of Laker Energy Products Limited testified to the contrast between this government's inactions and the support given to AECL by previous Liberal governments. On June 22, he said:

Looking to the future, and on the positive assumption that a stronger AECL emerges from an expedited restructuring process, the Canadian government must do what it, frankly, has not done over the past several years, and that is to enthusiastically support our efforts to sell reactors overseas. Regardless of the ownership of reactor vendors, multi-billion dollar reactor deals are done government-to-government. This is why the French, the Russians and the Koreans have been so successful in recent years. Their heads of state have been personally involved in the selling process.

I do not mean to get political here, but I am simply stating a fact: We used to do that. We received a successful \$4 billion order in China as a direct result of Jean Chrétien's personal efforts.

Honourable senators, Canada needs a coherent, thoughtful energy plan and policy, one that looks to the future of nuclear energy in this country, the needs and demands of this unusual industry, one that takes into consideration where we want it to be as a nation in terms of energy and scientific research and development. Several witnesses reminded committee members of the Avro Arrow, another example where Canadians led the world in scientific and technological development — all of which was destroyed, literally and figuratively, by the decision of another Conservative government, led by Prime Minister Diefenbaker.

Senator LeBreton: Louis St. Laurent made the decision. Check the record.

Senator Cowan: I am sure Senator LeBreton will have an opportunity later in the debate to correct anything that she wishes to correct.

Our scientists and engineers were quickly hired away by NASA. They helped put an astronaut on the moon nine years later. The skills and abilities of Canadians can stand up to those of anyone anywhere, but they could achieve their dreams only outside of Canada. Canada's aerospace industry and international reputation were decimated.

Senator LeBreton: Thanks to Louis St. Laurent.

Senator Cowan: Bill C-9 would give absolute discretion to the Harper government to do whatever it wishes with AECL — sell it off in part or in whole, to anyone, anywhere, at any time. There are absolutely no constraints on the government's discretion to deal as it chooses, behind closed doors, with this important national asset that Canadians have built up over half a century.

Honourable senators, whether or not one agrees with selling off AECL, surely disposal of such a major Canadian asset deserves public scrutiny and parliamentary debate. Senator Callbeck asked the Minister of Natural Resources several times why these provisions were presented to Parliament buried deep in a 900-page budget bill. Minister Paradis could not answer that question.

This is a serious matter, honourable senators. It affects our future energy supply, our environment, medical care for Canadians and millions around the world, and it affects jobs

and our economic prosperity. These are not decisions that should be made behind closed doors, with no transparency or accountability to Canadians or to their representatives here on Parliament Hill.

• (1520)

Senator Murray tried to introduce a modest amendment — a reasonable compromise that would simply have required the government to table any agreement in both houses of Parliament for approval. The amendment was carefully drafted. It did not impose any conditions and was careful to respect important issues of confidentiality. Unfortunately, this modest amendment was not acceptable to the other side, and it was defeated.

In the circumstances, the opposition members of the committee had no choice but to defeat the AECL part of the bill. Bring the provisions back, by all means — but do it properly, in a stand-alone bill for proper scrutiny by Parliament and the Canadian public.

Another part of the bill that was amended in the Standing Senate Committee on National Finance was Part 20, on environmental assessments. As you will no doubt hear, the committee heard extensive testimony on the dangers of the proposed amendments that numerous witnesses said would water down — some witnesses used the word “gut” — Canada’s environmental assessment policy.

Honourable senators, a comprehensive review of the entire Canadian Environmental Assessment Act will begin this fall in the other place. One witness called this a “wholesale, root and branch” review. Yet, honourable senators, this government has seen fit to pre-empt that parliamentary review by introducing these changes now. This is a slap in the face to those parliamentarians set to conduct this serious comprehensive review.

The idea of watering down environmental assessments now, when the environmental devastation of the BP oil disaster in the Gulf of Mexico just gets larger and larger, boggles the mind. There was a small article in the *National Post* last Thursday, July 8. It said that a fishermen’s group on Prince Edward Island plans to join the compensation list being filed against BP over the Gulf oil spill. The article went on to state:

The day might come in a few years where there’s suddenly very few tuna around P.E.I.,” said Mike McGeoghegan of the P.E.I. Fisherman’s Association. “And that could be the consequence of the spill.” Bluefin tuna spawn in the warm coastal waters around the Gulf of Mexico and fishermen are worried the oil could damage the herd, which migrates to the waters off P.E.I.

Honourable senators, the Harper government says Bill C-9 is a bill for jobs and economic growth. Surely, the lesson of the Gulf oil disaster is that a prudent jobs and economic growth strategy requires a vigilant and strong environmental assessment process. Certainly, there are many questions whether this is the time to weaken these controls. As witnesses told the committee, environmental assessments may take a bit more time in the short term, but given the potential long-term impact if we get it wrong, a bit of time may be prudent and necessary.

Other senators will speak about the details in this debate. The point I wish to make is that whether the changes proposed by the government are the right ones or altogether wrong-headed is not an issue to be disposed of in the context of a budget implementation bill. These are serious issues of Canadian environmental policy and, as we have seen in the Gulf of Mexico, they can have devastating consequences if we get them wrong. Parliament needs to be able to consider these proposals, hear testimony from interested, knowledgeable witnesses and reach a decision on the merits. These proposals have absolutely no business being buried in a 900-page omnibus budget bill.

Once again, I ask: What is the Harper government afraid of? What are they trying to hide?

This weekend, *The Globe and Mail* devoted an editorial to Bill C-9, which they headed: “This budget bill is overstuffed.” It began by quoting our colleague Senator Finley, who was busy threatening an election over the amendments passed by the Standing Senate Committee on National Finance. The editorial responded:

There is no shortage of issues at stake with the Harper government’s overstuffed budget bill. But those issues — abuse of process, contempt for Parliament and unseemly political threats — hardly seem like the sort of platform one would want to take to the public for approval.

Some Hon. Senators: Hear, hear!

Senator Cowan: If honourable senators wish, I would be pleased to read you the entire piece, but I will quote one more paragraph.

Senator Munson: Read the entire piece.

Senator Cowan: The paragraph states:

The entire process should be seen as a black mark on the Conservatives. Loading much of the government’s agenda into one omnibus bill and then demanding its passage on threat of an election is entirely inappropriate in a mature democracy. Parliament has an obligation to carefully scrutinize all legislation. Bills with unnecessarily diverse objectives thwart this duty. Spurious election warnings add to the lack of respect.

Some Hon. Senators: Hear, hear!

Senator Cowan: Before I conclude, honourable senators, I want to thank the members of the Standing Senate Committee on National Finance, and especially Senator Day, its chair, and Senator Gerstein, its Deputy Chair for their exceptional efforts on this unprecedented budget bill. The committee held 61 hours of hearings over and above their already heavy schedule dealing with the Main Estimates and all of the usual business that the committee deals with so well. The committee held 61 hours of hearings, 24 meetings, and heard from 122 witnesses, and they did so during a record heat wave here in Ottawa.

The task assigned to them was beyond the ability of any one committee, particularly given the time expectations of the government for this bill. Their Herculean efforts are much appreciated by all of us here in the Senate and, I am confident,

by all Canadians. However, to now have debate on their hard work given such short shrift through the introduction of this motion is an affront not only to them, but also to the Senate.

Parliament — and all Canadians — deserve better from the Government of Canada.

Hon. Lowell Murray: Honourable senators, the Leader of the Opposition, in his opening remarks, referred to the threats of election that one has heard recently in the context of this bill.

Senator St. Germain: Good idea. I did not think you were supporting it, though.

Senator Murray: Honourable senators, Senator St. Germain interjects to say “good idea.” However, it has surely not escaped Senator Cowan’s notice that when Senator Finley issued his general invitation to the dance last Thursday, he could not find a partner, even in the PMO.

Some Hon. Senators: Hear, hear!

Senator Murray: The honourable senator should be careful. In Mr. Harper’s party, there are severe sanctions for straying off message.

Senator Rompkey: That is right. You had better be careful, Senator St. Germain.

Senator St. Germain: I still say it is a good idea to have an election, regardless of what you say.

Senator Murray: The honourable senator is impervious to sanctions from any source; I know that.

Honourable senators, I do want to say that it is rather extraordinary — quite extraordinary almost to being unique — that the government would have tabled a notice of motion as it did with leave the other day, and when the motion is called here no one speaking for the government stands up to explain the motion, what they have in mind.

It is quite extraordinary. I do understand their embarrassment because what we have here is quite a combination of an omnibus bill into which have been stuffed some extremely important legislative initiatives with little or no relation to each other and little or no relation to the budget, combined with a closure bill to ram it through and to cut off debate.

• (1530)

What I have to say is not focused on the particular provisions of this motion, but I think my comments are not inappropriate in the context of what appears to be an endemic governmental impulse to cut off debate, bring down the guillotine, run shortcuts around due process, and avoid careful scrutiny in this mad dash for efficiency, also known as “streamlining.” That is the “in” word these days.

Let us see where this mad dash for efficiency takes us in Parliament and in the country. I will start with an innocuous example from this bill; Part 10, the Canada-Poland Agreement on

Social Security. Why is that legislation before us? Was it not signed on April 2, 2008, in Warsaw, with great fanfare by the Canadian and Polish ministers? Yes. Was it not “laid before Parliament” on April 20, 2009? Yes. Did it not come into effect on October 1, 2009? Yes. What is it doing before us now?

Honourable senators, there was a legal requirement that the government table the legislation in both houses of Parliament on April 20, 2009. The government tabled it in one house of Parliament, the House of Commons. They forgot about the Senate.

Some Hon. Senators: Oh, oh.

Senator Murray: We need to send them a copy of the BNA Act, Part IV, section 17:

There shall be One Parliament for Canada, consisting of the Queen, an Upper House styled the Senate, and the House of Commons.

I think the knuckleheads who are responsible for this oversight ought to be made to write out 1,000 times Part IV, section 17 of the Constitution Act, 1867.

They come before us and they say, Would you mind doing it again, and would you mind making it retroactive to October 1, 2009, because legally we cannot pay pensions and that sort of thing in Canada as a result of this oversight.

They forgot that we live in a bicameral country. For the further entertainment of honourable senators, let me explain how the convention of budget secrecy is being used by the government and its officials to cover a multitude of sins in the non-budgetary items that greatly outnumber the budgetary items in the budget implementation bill.

We all know what the purpose of the budget secrecy convention is. It is time-honoured and it has been mostly respected over the generations to guard against financial speculation and people making money out of advance information, manipulating the markets and so forth. That is why we have budget secrecy relating, as it does, to the tax and fiscal measures brought in by the government. However, there sailed into the National Finance Committee on June 15 government representatives to explain to us Part 12, amendments to the Financial Consumer Agency of Canada Act. These representatives were followed two days later, on June 17, by government representatives, there to explain to us Part 21, amendments to the Canada Labour Code.

Senators asked the question that senators always ask of officials: Have you consulted with those affected by these amendments? The answer was no. Why not? Because it is a secret; it is due to budget secrecy.

Budget secrecy covering amendments to the Canada Labour Code and the Financial Consumer Agency of Canada Act; how ludicrous and how absurd is that? What an insult it is to the intelligence of senators or anyone else, to put the cloak of budget secrecy over these amendments.

I think most of us here know what the answer should have been to those people when they come to the committee with a story like that. The answer is: Get out of here; be off with you; come back when you have consulted and we will talk to you then.

That is what we should have told them, but we did not. They are making monkeys out of us and out of every parliamentarian by the way they deal with these matters.

An Hon. Senator: That's not hard.

Senator Murray: Speak for yourselves, colleagues.

An Hon. Senator: We will.

Senator Murray: I hope so. I want to hear from the government side soon. I would not have risen if someone from the government had risen to explain this motion.

Then we have a situation in which a mammoth budget implementation bill like Bill C-9 is used by the government to cover its tracks and to avoid coming clean with important information that Canadians ought to have.

On June 28, we had before the committee Paul McCrossan, a former member of Parliament, well known to some, an actuary respected internationally, consulted by foreign governments, and consulted on pension matters by federal and provincial governments in this country. He is one of the lead authors of the act, which he now acknowledges is out of date and in respect of which he tells us that the amendments brought forward in Part 9 could make matters worse.

He told us how the International Monetary Fund, in early 2007, subjected Canada's financial institutions to something called the Financial Sector Assessment Program. The government was happy to publish the glowing IMF praise for our banking sector. The government was also delighted to publish the IMF observations, which seemed to support the government's argument in favour of a national securities regulator.

However, the IMF made recommendations about the pension system. They expressed their concern about the poor risk management practices in this field, and expressed the fear that the poor risk management practices and large losses by pension funds would lead to political pressures for bailout.

Mr. McCrossan pointed out that, while there was much analysis for the other parts of the IMF report, there was not a word of analysis for the pension part. He pointed out that the IMF always consults with national governments before issuing such a report. His hunch, his educated guess, is that the IMF analysis of the pension system was redacted at the request of the Canadian government.

I do not doubt that there may be legitimate reasons for redacting some or all of that analysis but, honourable senators, it shows that Parliament needs more time to get to the bottom of this sort of thing.

I will have to resume my seat.

Senator Cordy: Five minutes.

Senator Fraser: Five minutes.

The Hon. the Speaker: Is it agreed, honourable senators, that Senator Murray will be accorded five more minutes?

Hon. Senators: Agreed.

Senator Murray: I will refer finally to the use of the omnibus bill to negate court decisions. There has been reference to the Canada Post issue. I have spoken on both the substance and the process elsewhere. I will draw the attention of honourable senators to the fact that the whole controversy, the court case and all the rest of it, arose because originally there was a contradiction between the English and French versions of the law. I do not know under what government that contradiction took place, but I think it is worth asking in the mad dash for efficiency: How did we let this happen? How did our predecessors let this happen? How did the government let this contradiction happen? Perhaps we need to take more time making laws.

Environmental assessments have been referred to by the Leader of the Opposition. The Supreme Court of Canada said that one has to assess the whole project as presented by the proponent; it cannot be scoped down. The government brings in an amendment to reverse this decision and to give the minister sole authority under the cover of a budget implementation bill. The government will not even wait for a parliamentary review that must be held this fall. They have to jam this legislation through under cover of a budget bill. There is no need for it. We know there is no need for it. It is opportunism pure and simple.

• (1540)

Honourable senators, there are all kinds of other things I can mention. Clause 55, I believe it is, of Part 2, deals with retroactive GST legislation. We were against this retroactive legislation when it was brought forward by the Liberals with regard to school bus drivers in Quebec and the anti-avoidance rules on international transactions, but here we go again. A bad precedent was set and another government builds on it.

This thing has been opposed by the Canadian Bar Association, by most of the large chartered accountancy firms in the country and by most of the big law firms in the country. All hell broke loose when it was announced at budget time, so Mr. Flaherty put out a clarification on March 26. That did not do the trick. On June 29, the Department of Finance issued a "revised explanatory note." That did not work. On June 30 Revenue Canada put out an "updated technical guidance." It still does not work. It should be taken out of the bill. They should go back to the drawing board. We all know that.

Anyway, I will leave it at that for the moment. I may have another opportunity to speak at the report stage and/or third reading of this bill. I just wanted to cite those few examples by way of expressing hope that Parliament, beginning in the other place but also here, can realize what we are here for and not permit abuse of process as we have done too often in the past. If that cannot be done, perhaps some honourable senators here could screw up their courage and bring it up in caucus.

[Senator Murray]

Some Hon. Senators: Hear, hear.

Hon. Joseph A. Day: Honourable senators, if there is someone from the other side who wishes to speak, I am quite prepared to yield. Seeing no one, then I will put a few comments on the record.

Honourable senators, this sort of motion is often referred to as closure, time allocation, time limitation. For the following reasons, I will not be supporting this particular motion. I firmly believe that it is much better for honourable senators to work on consensus with respect to matters of this type, and that is precisely what we did in our committee.

We received this bill back in early June. We sat down as a steering committee, with Senator Gerstein as deputy chair, Senator Neufeld and I, and worked on a schedule, not knowing where it would take us because we were dealing with a potential witness list of well in excess of 200. This bill has 24 parts, as senators know. It has 900 pages and over 2,200 clauses. We did not know where we would go with this bill. We had our glitches from time to time, we had our disagreements, but we worked them out on a consensus basis and we had a program that had us reporting here on Thursday of last week, and we reported on Thursday of last week. That was all done by consensus.

We had also talked about the fact that if there was a report stage, which there will be in this instance, and third reading, we should be able to finish that up by the end of Tuesday of this week, and this is Monday. What are we doing with this kind of motion — this draconian motion — at this time, in a process that has worked so well on a consensus basis over the past month?

Honourable senators, I see this motion as a vote of non-confidence in all of us on the committee who have worked to deliver this bill here, as we had told the leadership we would do. If senators vote for this motion, they are voting non-confidence in a good number of their colleagues who put in a heck of a lot of time to do the job properly.

There is one other point, honourable senators, and it is with regard to the six hours, which is fine. The debate at report stage and third reading probably would not have taken more than six hours in any event. We will deal with that if this motion is passed.

Honourable senators, this time allocation motion is being determined according to rule 39(4) of the *Rules of the Senate*. However, rule 39(7) raises a serious concern. Clause 39(7) is interpreted to mean that no honourable senator can propose an amendment at third reading. If I am misreading that rule, I will be very pleased, but I do not believe I am. In trying to meet the time line we put in place until the day we reported, we were still hearing from witnesses and we were still learning new problems and challenges with respect to this bill. Therefore, the committee was not in the position to put in all of the potential amendments.

If honourable senators accept this motion, it will prevent us from completing the work of the committee. It will mean we cannot propose amendments that we could then vote on. There are many different amendments in addition to the four major amendments

that the committee selected to make our point. The plan was to make those amendments at third reading for consideration by the entire chamber.

If we vote for this motion, honourable senators, not only are we voting non-confidence against the members of the committee who worked so well together to bring this report to the chamber, as we had agreed upon, but we are also limiting our ability to do our job properly in that we can no longer propose amendments. Saying that we cannot propose amendments at third reading is much more fundamentally wrong than limiting the time for debate, in my view. I urge honourable senators to vote against this time allocation motion. It is not needed, it is not desirable and it is very dangerous.

Hon. Elaine McCoy: Honourable senators, I am looking to the government side of the benches. Is there no other senator on the government side of the benches wishing to speak?

I am told that there is not, and I therefore concur with Senator Murray's comment. In all my legislative experience, I have never seen such an aversion to debate, shall we say, especially when we are told that an agreement as to process on behalf of all senators, except the independents, has now been broken. I am appalled.

I am also appalled to think that this closure motion has been brought before we have even started debate. Again, in my experience, debate has been allowed to continue for some period before any government has ever moved a closure motion. Once again, we are seeing this pattern of not encouraging a debate — free speech indeed. Whatever are we coming to? Parliament is being emasculated.

We have heckles from the Conservative benches but no debate, just muttering among the monkeys, to use Senator Murray's term.

This morning I was asked to be on the *Rutherford Show* in Calgary, which is a talk show. Many senators will have heard of it. It is a bit of a raucous talk show at times. Dave Rutherford is one of those characters whom we love and appreciate in our province of Alberta. He wanted to talk about this budget bill. He said: "God, they are not really going to an election over it; it is so boring, surely not."

Senator Finley, I tend to agree with him, and I do not think the issue would have reflected as well on the honourable senator as he might have hoped.

• (1550)

I spoke to him and he asked why I was opposing this bill. I said because it is denying Canadians the right to speak and the right to participate. It is true at least on Part 20, one of 24 Parts. I was shown the list of people who had asked to speak. It was at least twice, maybe three times as long as the committee had time to hear, and so I know there are Canadians who wanted to participate. Apart from emasculating Parliament, that is so undemocratic that I cannot really find the words to condemn it.

Within half an hour of my getting off that talk show, I received an email from someone that I do not know. The subject line on the email was “voice of the people.” I will share parts of that email with you. It reads:

Senator McCoy

I heard you on with Rutherford. . . . Actually, the voice of the people is ignored in practice as business as usual.

He continues:

Maybe the Senate could be the agent of change to correct this deficiency in democratic practice that could impact politics for the better.

This is what he is inviting you to do, senators new and old.

He carries on:

The childish antics regularly displayed in the House of Commons need not be repeated in the Senate. Were the Senate to behave in a manner that would establish a reputation for inclusive and civil discourse it would earn respect and promote participation by the real stakeholders, the taxpayers.

Goodwill and service are sadly lacking as principles practiced in our current political system. The Senate could be an effective agent for change were it to lead the way for citizen participation.

He concludes:

. . . I encourage you to keep the drive alive in the best of western tradition.

That, ladies and gentlemen, honourable — I would hope — senators, is a sentiment from Alberta. That is what you are risking with your shenanigans driven by those who have their seat in the other place. That is the tradition that you are letting down if you vote in favour of this closure motion. If that is the kind of senator you aspire to be, then I trust you can sleep at night because many who have applauded your presence here, many of those people at home are saying, “I am so glad you are there and so glad we have an upper chamber.” They are saying, “I am so glad we have someone who has the time and is not subject to blackmail or caucus bullying or any other kind of shenanigans and the childish antics of that other place to subject you to do something less than is right, something that is less than Canadians deserve.”

I, too, hope that there will be enough senators in this chamber today to vote against this closure motion.

Hon. Joan Fraser: Honourable senators, I am floored by the fact that no one on the government side has yet chosen to speak to this motion.

I have been doing a bit of reading and reflecting on time allocation motions, including referring back to some past debates. It is very clear that it is customary in this place that when a government decides to use something as drastic as time allocation on a bill, it explains itself, at least once, out of what our American

friends would call a decent respect for the opinions of mankind. If you are intent on doing this, at least have the courage to try to explain why you think it is necessary.

Senator Cordy: They are not allowed to.

Senator Fraser: That may well be the reason, although one never knows; maybe listening to us, someone will be inspired to stand up and speak.

There are occasions when time allocation, drastic as it may be, may be necessary. It may be necessary on a major piece of legislation when the opposition is being obstructionist for pure obstruction's sake. It may be necessary when there is some element of urgency for domestic reasons or because of international obligations; but we have been told repeatedly that there is no such urgency in this bill, so those conditions do not apply in this case.

What does apply in this case, as has been stated so clearly by my leader, by Senator Murray, by Senator Day, is the fact that this bill is of possibly unprecedented complexity and length. It has 900 pages, 2,200 clauses; I do not know how many pieces of legislation are affected. We know that up until the very last minute the committee kept finding new things in this bill. If ever there was a piece of legislation that this chamber should look at closely and carefully, it is surely this one. I cannot believe that there is a senator in this place who believes that dumping all these massive changes into one bill and then ramming it through, curtailing debate, is in fact the appropriate way to conduct the public's business.

I said that I had been doing a little reading of past debates. I stumbled on one statement that I thought was really worth repeating.

In 2003, Senator Di Nino said something that I think is at least as true today, or truer today, than it was then. I am not saying this to embarrass Senator Di Nino. He is one of the senior senators in this place. He is respected by all, and certainly by me. I am saying it because what he said bears reflection, in my view. I will elaborate on one element. He said:

Too often, particularly in the past 10 or so years, this place has been dictated to by the other place.

He said — and this is where I argue with him a little bit — “particularly in the last 10 or so years,” and we recall he was speaking in 2003. We all know the arithmetic. I would amend that to say: Too often, particularly in the past 10 or so years, if you wish, and most of all in the past four and a half years, this place has been dictated to by the other place.

He went on to say:

Yes, it happened before. It is not just this particular government. The previous government was not quite as bad, but it did the same thing. Those of us who have been around for a few years now — and I have talked to some of you on a one-to-one basis — feel embarrassed by this. We should be looking at, dealing with and debating the issues without the influence of the other place.

Then, Senator Di Nino went on to say:

Truly, these kinds of actions embarrass me and should embarrass us all. We should not be denied the time to debate. We should not be denied the ability to fully, in good time, analyze the issues.

I have not often spoken on this issue, but frankly, I cannot defend it.

He could not defend it. I cannot defend it. I cannot see any reason that anyone could defend it. I would like to hear someone try. In the absence of any justification at all being offered for this muzzling of Parliament and, through that, of the Canadian people, I have to say that this motion is, in my view, indefensible and I hope that some members on the opposite side will agree.

• (1600)

[Translation]

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, the motion moved by the Deputy Leader of the Government would limit debate on Bill C-9. I find it difficult to believe that members of this government, who boast about proudly defending freedom of expression, would do everything permissible under Senate procedure to limit the right of opposition senators to express themselves, especially when no senator from the government side is rising to explain or even defend such a time allocation motion.

As senators, it is our duty to examine and, in particular, to debate such fundamental bills as the one presently before us. Over the course of the past few days, I have received a number of emails from Alberta citizens who are worried about the provisions of Bill C-9. They have asked me, and all of us, honourable senators, to oppose the changes that the government wants to make to Canada Post and Atomic Energy of Canada Limited. These citizens have the right to be heard and we are duty-bound to represent them.

Two citizens of Lethbridge wrote to me last week, saying:

[English]

If an individual piece of legislation has merit, let it stand alone and be judged.

[Translation]

What is the government so afraid of that it is doing everything it can to limit debate on this bill? We sense that our Conservative colleagues are reluctant to have an open debate on Bill C-9 in this chamber.

Senator Finley is tossing around threats of an election if the amendments proposed by opposition senators and demanded by Canadians are passed by the Senate. This intimidation tactic will not work on the opposition senators. We are here to do our work and to represent Canadians.

Some Hon. Senators: Hear, hear.

Senator Tardif: We are not talking about a simple little bill just a few pages long; we are talking about a 900-page document, which, according to parliamentary procedure expert Ned Franks, is almost half the size of all the bills passed during this parliamentary session put together.

I join with the honourable senators who have already spoken in the debate on this motion. I ask all of you to think about the consequences of passing such a motion. I ask that you not support the government's attempt at time allocation.

Hon. Roméo Antonius Dallaire: Would the honourable senator take a question?

Senator Tardif: Yes, of course.

Senator Dallaire: We have heard the reformers, on the other side of this chamber, talk about reforming our parliamentary structure. One of their goals is to reform the Senate because they believe that the Senate does not represent the public and has no moral or "legal" authority, from a democratic point of view, to represent the public because it is not elected. The House of Commons was tasked with debating this same 900-page bill before the Senate was; no time limit was imposed on their debate. The bill was debated rather quickly.

Do you believe that, if the Senate were structured like the House of Commons, that would improve the process of governance and accountability to the public, or do you believe that the Senate should remain independent in its representation and should study bills in great depth instead of trying to imitate the House of Commons and study bills quickly, even though, in the other place, they are supposedly more accountable than we are in the Senate?

Senator Tardif: Thank you for your question, senator. Indeed, I do believe that the Senate must study bills in depth and that the Senate was created to bring sober second thought to the process and to represent all Canadians. I believe that the Standing Senate Committee on National Finance truly tried to do the work the Senate is meant to do. They were dedicated and took the time needed to thoroughly examine the issues and listen to the public — all of the people who were not given the opportunity to be heard by the other place.

That, I believe, is the strength of the Senate, senator.

[English]

Hon. George Baker: Honourable senators, I wish to say only a few words. I will not be very long. I will try to be as non-political as possible and I will try to mention the government side of the story as well. I suppose the reason the Conservative senators are not speaking is that they want to get on with the motion.

One thing bothers me about the motion — nothing else, just one thing. We have seen many of these motions over the years. The Senate is known in Canada for its committee work. Every court in the country recognizes that and every quasi-judicial body in Canada constantly recognizes that.

While most people are watching television, I am looking at Quicklaw, WestlaweCARSWELL. I keep track of mentions in reported judgments of senators and the committee work they do. You would be surprised at the number of senators here currently

who have been quoted in our courts and by quasi-judicial bodies such as labour relations boards, human rights boards and so on. In fact, I did an accounting today of what I have noted in the last two months. I think I should mention some of them, but before I do so, I will tell you what bothers me about procedures in the Senate.

There is one thing in the bill that was not mentioned in the public comments about it. It really bothered me, and there were no witnesses called to appear on it, although I know that the committee attempted to do so. I congratulate all the members of the committee. They did a phenomenal job. This is not political, senators.

When I was a cabinet minister in the federal government, the government brought in a bill that did the same thing as this proposed bill does, and it was struck down by the courts. It is now being reintroduced in this legislation in Part 14. It makes a law firm an entity under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

• (1610)

First, the sections of the bill define what a law firm is. It means “an entity that is engaged in the business of providing legal services to the public.” Each section goes on to state “entity” and ends by saying: “Nothing in this Part requires a legal counsel to disclose any communication that is subject to solicitor-client privilege,” or, in Quebec, the professional secrecy of legal counsel.

Honourable senators, back in 2000, we brought in this act — and by “we,” I mean members of the House of Commons. Immediately, we had court judgments.

Here is the British Columbia Court of Appeal in 2002 CarswellBC 160, *Law Society (British Columbia) v. (Attorney General) Canada*. The headnote to the section states:

... Suspicious Transactions Regulations, legal counsel became subject to reporting requirement — Federation of Law Societies brought petition for declaration that parts of Act and Regulations were unconstitutional and of no force and effect with respect to legal counsel. ...

Nova Scotia passed a similar judgment. Here is the end of the judgment. I do not have the front page, but it is the Supreme Court of Nova Scotia, paragraph 85:

I have considered the remedy ... I prefer the remedy granted by the British Columbia and Ontario courts.

I allow the application and grant an order exempting legal counsel in this Province, practising in Nova Scotia, from the application of ... the *Proceeds of Crime (Money Laundering) Suspicious Transaction Regulations* ...

Then we can go on to another judgment, paragraph 108, the Superior Court of Ontario:

... authorizes an unprecedented intrusion into the traditional solicitor-client relationship. The constitutional issues raised deserve careful consideration ... The petitioners seek a temporary exemption from the legislation ...

The exemption was granted.

My point is this: When you look now for the definition of “legal firm” in the Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations, it says “legal firm.” What is after it? “Repealed.” SOR/2003-102. The point is that I cannot now introduce an amendment to the bill at third reading because this motion precludes it.

Some Hon. Senators: Shame.

Senator Baker: Those are our rules, and perhaps we need a change of rules. I believe there should be a place in our parliamentary procedure in the Senate for a committee period, just like we have Question Period, because that is where the work is done, and more work could be done. However, a procedure such as this precludes me from introducing an amendment if the committee has not done so.

To illustrate for new senators the importance of the Senate and Senate committees, a few moments ago I looked at some cases from the last couple of months. Here is a case from the Federal Court, 2010, CarswellNat 420. The entire judgment is about the Standing Senate Committee on Banking, Trade and Commerce. Paragraph after paragraph is quoting from the committee, its reports and its members.

If I look to the New Brunswick Court of Appeal, I see a quotation from a senator on the Conservative side of this chamber in introducing a bill for the government. It is important to note that the New Brunswick Court of Appeal quoted those words.

Paragraph 34 of *LeBlanc and Steeves v. R.* quotes the Quebec Court of Appeal, Rochette, J.A. The next paragraph says: “Before the Senate, the senator sponsoring the bill added, in the same spirit. ...” We see here the significance of the Senate.

Here is one that quotes from the Standing Senate Committee on Social Affairs, Science and Technology — these are all 2010 reports — in which the committee’s report is compared to what the Supreme Court of Canada said. Paragraph 76:

It is clear that the Senators felt that the 40 percent threshold was much fairer to the payor in that it captured a broader scope of access arrangements than the “substantially equal” threshold.

The next paragraph states:

Addressing this same issue in *Contino*, Bastarache J. writing for the majority. ...

You can imagine this. A senator introduces a bill here in the Senate and says something, and that is then taken by this court and compared to what the Supreme Court of Canada said.

If I could be given three more minutes, I would finish, Your Honour.

The Hon. the Speaker: Is it agreed?

Some Hon. Senators: Five.

Senator Baker: Let me cut to the last two examples that I found interesting. Senator Andreychuk's Standing Senate Committee on Human Rights and the Standing Senate Committee on National Finance are quoted in a 2010 judgment, *Hall et al. and Association of Canadian Financial Officers v. Treasury Board*. It states at paragraph 44:

The Standing Senate Committee on Human Rights . . . , in its third report dated 11 June 2009, recognized the link between pay equity and classification and recommended. . . .

On the next page you get the "Proceedings of the Standing Senate Committee on National Finance." Here you have the chair of the committee, a former judge who brought down judgments, and now reports she brings to the Senate are used in judgments.

The Standing Senate Committee on National Security and Defence is quoted. Then there is a whole section quoting Senator Ringette in questions and answers. Perhaps she wishes to have a copy of it. Senator Campbell is also quoted.

Some Hon. Senators: Oh!

Senator Baker: Here it is, honourable senators: 2010 CarswellNat 718. It is paragraph 34, in which this quotation is used:

The CBSA president was grilled at the Senate committee.

Senator Campbell, to Mr. Alain Jolicoeur: "With all due respect, you are copping out. I am new here. I cannot believe this. I just cannot believe what I am hearing here. Are we serious about taking care of terrorism and people crossing our borders here? You cannot cop out by saying there are hundreds of places you can cross in this country. I know there are hundreds of places. You are responsible for the crossings. You came here in October. At that time you said there was no log being kept that would tell you how many people were jumping the border. Now you have a number of 1,600. Where did that come from?"

Some Hon. Senators: Hear, hear!

Senator Mercer: Good job, Senator Campbell.

Senator Campbell: It was an off day.

Senator Baker: That was just a month ago.

Senator Stratton: The honourable senator is "new"?

Senator Baker: Finally, I will give honourable senators this quote, so that senators who serve on committees and author reports will know the duration of the contribution they make. I found the case of *R v. Caron*, Alberta Court of Queen's Bench. Paragraph 98 quoted a senator whom I did not know by name. It said:

Certain amendments were accepted. . . . Senator Girard introduced an amendment on language rights. . . .

Then it read "*Debates of the Senate of the Dominion of Canada, Session 1877.*" The *Debates of the Senate* were used 140 years ago in an adjudication of the Alberta Court of Queen's Bench. Senators can take some consolation in that, perhaps 140 years from now, their committees will be quoted.

• (1620)

Honourable senators, the bottom line is that you hear House of Commons committees quoted from time to time. However, our courts and quasi-judicial bodies depend on the Senate and the committees of the Senate. What goes on in those committees is extremely important for our democracy, our courts and our quasi-judicial bodies. That is why I believe that, perhaps, we should have in the Daily Routine of Business of this chamber an item devoted to what goes on in committees. Then one would not be prevented from introducing a motion in amendment at third reading of a bill.

Hon. Wilfred P. Moore: Would the Honourable Senator Baker take a question?

Senator Baker: Yes.

Senator Moore: Inasmuch as barristers in any province are qualified by their studies and then they take an oath under the court and are, therefore, officers of the court, does the honourable senator have any comment with regard to the appropriateness of the section that he found, vis-à-vis their historic, meaningful and important role as officers of the court?

Senator Baker: Absolutely, honourable senators. A Crown attorney has a special role, not just as an officer of the court but on a level with the judge, to provide, in some cases, advice directly.

The point is that a law firm is audited. A law firm supplies information to Revenue Canada. A law firm's trust accounts are a treasured part of the law firm. The legislation process simply says that solicitor-client privilege shall prevail, but we all know that solicitor-client privilege only covers communications between a solicitor and a client, direct advice being given, and extends to the payment that one makes to that person.

However, to subject every employee of a law firm and law firms to a suspicion — not belief, and as you know there is a huge difference — when they are representing some of the very people who are charged with offences, is surely something that should not be done.

I am not blaming the government here, because this happened before, in 2000. I was part of that government; I was a cabinet minister. However, things have a way of happening. We do not write the legislation as a government; legislation is brought through from round tables, from provinces and legal authorities, the police, and so on. Decisions are made in the Department of Justice and then it is put into legislation. Cabinet ministers do not know. That is the importance of the Senate committee.

Hon. Terry M. Mercer: Honourable senators, I am concerned about this motion that has been brought before us today. We have some good people in the gallery and others are listening

elsewhere. What we are seeing is the muzzling of Parliament, the muzzling of the representatives of Canadians from coast to coast to coast and, therefore, the muzzling of the Canadian people. The Canadian people want to speak out, and thousands have done so in emails, mail and phone calls that we have all received on such important issues as Canada Post and on the fact that this bill has in it a removal of the monopoly of foreign mail by Canada Post.

Coincidentally, it is not common knowledge in the Canadian public that the current President of Canada Post will leave her job and start a new job — ironically on Bastille Day, July 14, and Senator Munson's birthday. Where will she be going to work? She will be working with one of our major competitors for that mail, the handling of which she has been involved in changing. She is going to work for the Royal Mail, one of our major international competitors. I have questions about that, and I would like to have more time to talk about it.

When this government came to power, this country was leading in the production of medical isotopes and provided them to people all over the world. However, under the "good" management, the "great" management of Stephen Harper and his friends, we are now out there buying isotopes from other people.

Some Hon. Senators: Hear, hear.

Senator Mercer: We spent millions of dollars to try to get Chalk River back up and we are still not producing isotopes in the quantity that is needed.

We then go on to talk about Senator Mitchell's favourite subject: environmental protection and environmental laws.

Senator Mitchell: Thank you.

Senator Mercer: This bill guts environmental laws like no other. I do not think there is a country in the Western World that has seen this type of legislation. Of course, this government — all of those Conservatives over there, none of whom has spoken here today, for those of you who have been paying attention — wants to stifle debate on these important issues. Canadians will remember this. Those of us on this side will spend much time reminding them.

As a matter of fact, senators can come out to the front lawn of the Parliament Buildings tomorrow as we start the tour. The cross-Canada tour begins out here tomorrow with the Leader of the Official Opposition in the House of Commons, my good friend, Michael Ignatieff. Part of his message is to tell Canadians how the government has cut off debate on important issues that the public is concerned about.

Some Hon. Senators: No!

Some Hon. Senators: Shame, shame!

Senator Mercer: In some polls it has been said that somehow the Conservatives are better managers than the Liberals.

Some Hon. Senators: Hear, hear!

Some Hon. Senators: Yea!

Senator Mercer: What is amazing is that some people still believe that.

Senator Campbell: Say it is not so!

Senator Mercer: Look at the deficit: \$15 million plus. Imagine; that is good management. Employment is at record highs; that is good management. We have bills gutting environmental protection. What is next for Canada Post, honourable senators? Is it rural mail that will be on the chopping block the next time these guys get at it?

People in rural Canada will remember that. An important part of rural Canada, as a one-time resident of rural Canada, is rural mail delivery.

An Hon. Senator: Watch your back.

Senator Mercer: As a matter of fact, my back is feeling pretty good!

Some Hon. Senators: Hear, hear!

Senator Mercer: Honourable senators, I will not take much more of your time.

Some Hon. Senators: No, keep going.

Senator Mercer: We have been paying attention, and more and more Canadians are paying attention. We will remember this as time goes on.

Some Hon. Senators: Hear, hear!

Hon. Pierrette Ringuette: Honourable senators, it is not easy to take up debate after my two Atlantic colleagues have done such a good job.

Senator Tkachuk: You don't have to.

Senator Eaton: You can sit down.

Senator Ringuette: I will, because I know Senator Tkachuk enjoys every time I get up to speak my New Brunswick views.

Senator Tkachuk: Please, please.

Senator Ringuette: I listened carefully to my colleague, Senator Day.

Senator Mercer: Joe the Leader.

• (1630)

Senator Ringuette: I want to remind honourable senators that, Senator Joe Day, Senator Catherine Callbeck and I have been fortunate to be members of the National Finance Committee. We worked and listened to witnesses and posed questions and heard answers on issues relating to Bill C-9. The 12 members of the committee had the privilege and opportunity to vote on issues concerning Bill C-9.

Honourable senators, because of this motion, 93 honourable senators will not be able to put forth any kind of motion at any time.

An Hon. Senator: We have read the bill.

Senator Ringuette: Honourable senators, this is the chamber of sober second thought and I find that to be unfair to our constitutional mandate.

A constant theme reoccurs with regard to this time allocation. Honourable senators will remember when we first received Bill C-9 in this place and it was sent to committee. Just prior to that, in early May, our committee chair asked to begin a pre-study. Such procedure is common. The government refused our request to begin a pre-study of Bill C-9. From my perspective, that was the first time allocation.

Honourable senators, when we began our hearings on Bill C-9, we planned to have the officials explain the 24 sections to us and to ask them questions. Once the officials had completed their explanations and after the first panel of witnesses, senators from the governing party started to say that we were filibustering the committee. That is another uncalled for form of time allocation.

Honourable senators, I am concerned with four particular issues contained in Bill C-9: AECL, Canada Post, environmental assessments and retroactivity with regard to the GST. The last issue is unparliamentary because, in that section, the Canadian citizens who have paid GST on a particular commercial transaction, or financial advice, cannot receive a refund. However, the Canadians who have not paid the GST will not have to. Talk about discrimination, and I said it at committee. This is a class action matter.

As to the issue of time allocation, in 2007, the Harper government started the process to put AECL up for sale. Last year, it gave the mandate and the dollars to Rothschild Canada to sell AECL in whole or in part; we have heard it will be in whole. The government had one full year of knowledge of this matter without any kind of direct legislation.

If honourable senators look at time allocation with regard to Canada Post, in 2007, the government introduced Bill C-14, which was referred to the House of Commons committee. The bill went to committee but never went any further. Then, in 2008, the government had an election. It reintroduced Bill C-44, but it stayed on the Order Paper. Talk about an urgent issue. Bill C-44 did not even go to committee.

Honourable senators, why subject the bill to time allocation? The attitude of this government is muzzling Parliament and our nation.

Honourable senators, the last witnesses we had at our committee were the people from the Department of Finance. Let it be known to honourable senators that what is in the budget speech and what is in Bill C-9, the budget bill, are not equal because there are still issues in the budget speech that are not in the current 900-page Bill C-9. Beware honourable senators,

because when the time comes in the fall that we begin our sitting again, just like last year, this government will use budget omnibus bills to push their policy down Parliament's and Canada's throat. That is the wrong way to do it.

Honourable senators, I understand politics, policy and mandate with regard to government and the role with regard to opposition, but I certainly believe we are not here for our own personal satisfaction. We are here to represent the people of Canada. We are here to listen to them.

This time allocation, depriving Canadians of knowing what this government is planning for their future, is wrong. This time allocation removes the opportunity from all of us, particularly from 93 honourable senators, to put any amendments forth on this very important bill.

Honourable senators, there is a direct effect on over 200,000 Canadian jobs between the two issues of AECL and Canada Post. How can we only talk about these issues, without amendments, for six hours? I could talk for six months, honourable senators, on this issue.

Senator Mercer: More, more!

Senator Ringuette: Honourable senators, I know I am a workaholic, and I do not mind that at all. I love working. I have been working for Canadians for 23 years as a politician — I am sorry; is there something that the honourable senator would like to say?

Senator Munson: They cannot speak.

Senator Ringuette: That is exactly the issue. Whatever happens on the other side, at least here on this side, my colleagues are allowed and have always been allowed to say what we think on issues of importance to Canadians, and I feel sorry for all senators on the government side.

Hon. Lillian Eva Dyck: Honourable senators, I would like to say a few words on this subject as well.

This whole motion of limiting debate strikes me as almost undemocratic. I consider it an honour and a privilege to have been summoned to this Senate as a senator. As a woman, a First Nations woman, a racialized woman who is partially Chinese as well, I spent most of my life not having the freedom to speak with my own voice because of the fear of backlash. However, here as a senator, and for the first time in my life, I feel I can get up and say what I want without any fear. I do not understand why senators across the way do not take advantage of that privilege.

• (1640)

By limiting debate, all you are doing is limiting yourselves. We, on this side, are the only people getting up and saying anything. You are being condescending to the citizens of Canada by not getting up and stating why you are in favour of this motion. Canadian citizens have a right to know what you are thinking,

and you are not allowing them to know what you think. I cannot believe this. To me, it is just literally mind-boggling why you do not get up and say something. It is an honour and a privilege to be here, and Canadian citizens want to hear what you think.

Some Hon. Senators: Question.

Hon. Anne C. Cools: Honourable senators, I have difficulty with this whole family of motions — closure, guillotine, previous question, however we want to name them. I have what I would say is a primeval objection to limiting debate. I believe that the nature of these houses and the nature of these chambers is exactly to air our ideas and to come to decisions. Just as I am always reluctant to vote against any individual senator here on a motion for the adjournment of debate, this motion falls into that category of motions that I find objectionable in their inherent nature.

Honourable senators, the other point I would make is a quiet and mild one, and perhaps it is a question of background or training. I do believe that if and when you think you are correct in your action, you should defend it, and it should be explained and clarified so that there can be no doubt as to what was meant. This motion is not one of the finest pieces of drafting I have ever seen in my life, and it would seem to me that some explanation would be desirable so that, for posterity, generations to come would be able to look at it clearly and understand why this motion was put. I have no doubt that the movers of this motion have good reason; I just think they should be put to the house and put very clearly.

In any event, honourable senators, I just think maybe one of these days we should have a debate on the phenomenon of this family of motions, the guillotine and that whole family. The old term used to be “closure motions.” It is very unfortunate we have had to go down this road. At the end of the day, it seems to me that it would be roughly the same amount of time to get from here to there in any instance.

Thank you, honourable senators.

The Hon. the Speaker: Honourable senators, it was moved by the Honourable Senator Comeau, seconded by the Honourable Senator Eaton, that pursuant to rule 39, a single period of a further — shall I dispense?

Some Hon. Senators: Dispense.

Some Hon. Senators: No.

The Hon. the Speaker: The motion is as follows:

That, pursuant to rule 39, a single period of a further six hours of debate, in total, be allocated to dispose of both the report and third reading stages of Bill C-9, An Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures;

That if debate on report stage comes to an end before the expiration of the six hours, the Speaker shall put forthwith and successively every question necessary to dispose of report stage in accordance with rule 39(4);

That if debate on third reading comes to an end before the expiration of the six hours, the Speaker shall put forthwith and successively every question necessary to dispose of third reading in accordance with rule 39(4); and

That at the expiration of the six hours of debate the Speaker shall interrupt, if required, any proceedings then before the Senate and put forthwith and successively all questions necessary to dispose of report stage, if not yet disposed of, and third reading in accordance with rule 39(4).

All those in favour of the motion will please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker: All those opposed to the motion will please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the “yeas” have it.

And two honourable senators having risen:

The Hon. the Speaker: There is a call for a standing vote. There will be a one-hour bell, which means that the vote will take place at 5:45, unless the whips agree otherwise.

There is no agreement by the whips, so the bells will ring for one hour. The vote will take place at fifteen minutes before six.

Do I have permission to leave the chair?

Hon. Senators: Agreed.

• (1740)

Motion agreed to on the following division:

YEAS THE HONOURABLE SENATORS

Andreychuk	LeBreton
Angus	MacDonald
Ataullahjan	Manning
Boisvenu	Marshall
Braley	Martin
Brazeau	Meighen
Brown	Mockler
Champagne	Nancy Ruth
Cochrane	Neufeld
Comeau	Ogilvie
Di Nino	Oliver
Dickson	Patterson
Duffy	Plett
Eaton	Poirier
Finley	Raine
Fortin-Duplessis	Rivest
Frum	Runciman
Gerstein	St. Germain
Greene	Seidman
Housakos	Stewart Olsen
Johnson	Stratton
Kinsella	Tkachuk
Kochhar	Wallace

Lang

Wallin—48

NAYS
THE HONOURABLE SENATORS

Baker
Callbeck
Campbell
Chaput
Cools
Cordy
Cowan
Dallaire
Dawson
Day
Downe
Dyck
Eggleton
Fraser
Furey
Harb
Hervieux-Payette
Hubley
Jaffer
Lapointe
Losier-Cool

Lovelace Nicholas
Mahovlich
Massicotte
McCoy
Mercer
Merchant
Mitchell
Moore
Munson
Murray
Pépin
Peterson
Poulin
Poy
Ringuette
Robichaud
Rompkey
Stollery
Tardif
Watt
Zimmer—42

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

• (1750)

SIXTH REPORT OF NATIONAL FINANCE
COMMITTEE NEGATIVED

The Senate proceeded to consideration of the sixth report of the Standing Senate Committee on National Finance (Bill C-9, An Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures, with amendments), presented in the Senate on July 8, 2010.

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

He said: Honourable senators, I am not sure what time allocation I have to perform the task under rule 99 but I will attempt to perform the objective and the obligation under rule 99, which is to explain the amendments that appear in the report of the Standing Senate Committee on National Finance to this chamber. We have this report stage, honourable senators, only if there are amendments to the bill. In the normal case, we proceed immediately to third reading.

Honourable senators, there are four different amendments: One with respect to Part 2, clause 55, dealing with retroactivity in the Excise Tax Act to the year 1990; one with respect to Part 15, Canada Post, dealing with remailers; one with respect to Part 18, dealing with the sale, merger, winding down and closure of all or part of Atomic Energy of Canada Limited; and one with respect to Part 20, environmental assessment legislation.

Honourable senators, I will attempt to explain those amendments to you in the time allotted me and to explain why those amendments appear in the report that came back to this chamber from the Standing Senate Committee on National Finance.

Honourable senators will know that one approach of a committee is to try to rewrite the legislation so it achieves the desired purpose. The committee tried that with Bill C-2. When the report came back, there were 180 amendments from the committee. Honourable senators may be surprised to know that we, in the Senate, were able to achieve success and approval for 90 of those 180, but that is unusual. The approach we took in this particular matter — although there could have been many more amendments than the four that I wish to talk about — is to explain the difficulty we have with this particular legislation and this practice, a practice that becomes worse each year, of including everything in one piece of legislation. We wish to highlight, with the most obvious examples, aspects of the bill that will help us make our point that these provisions should not be in a budget implementation bill. They should be in stand-alone legislation so we can study them.

Honourable senators, as a committee we report back with four amendments. I want initially to thank the deputy chair, Senator Gerstein, the other member of the steering committee, Senator Neufeld, and all of the senators who sat through the one month of committee hearings with respect to this bill. More than 24 different senators served at one time or another throughout that month dealing with Bill C-9. Honourable senators who were there will know that on many occasions I had an opportunity to remind them that this bill comprises 900 pages, 2,200-plus clauses and 24 distinct parts.

I want to thank the honourable senators who were able to participate in those hearings. Their hard work and diligence in dealing with this huge piece of unprecedented budget implementation legislation is appreciated.

Honourable senators, it is important for us to step back perhaps and review why bills are sent to committee: What is the function of the committee and what is our role? We need to understand primarily the policy objective of the government that presents the bill and the need for the bill. We want to know why the bill is being presented. That objective can be put into other words: What are the intended consequences?

Honourable senators, what we are looking for, and what we are trying to prevent, are no unintended consequences. To prevent unintended consequences, we have to understand what is in the legislation. We have to understand how much, if any, prior consultation took place in the areas where this legislation will have its greatest impact. We need to conduct as thorough a study, by the best equipped committee, as we possibly can.

• (1800)

Honourable senators, when there is a diversity of subject matter in a bill, the concern is that if we send the entire bill to one committee, we might not have those with the best background studying the legislation and understanding how the bill impacts on other pieces of legislation.

Generally, honourable senators, it is an affront to our institution for a piece of legislation to be sent to us when it is clear on its face that one committee — in fact, the entire Senate — could not possibly deal with it adequately, and in the manner in which we are expected to deal with that type of legislation, in the time that is available.

Honourable senators, at the end of these 61 hours of hearings that took place, we needed to bring in a witness to look at the entire package again. We brought in Professor Ned Franks, who has been before parliamentary committees in the past. He has made many wise observations. He said, “You have done your work with respect to looking at each of the parts: You brought in the government people; you brought in the people who were impacted and you brought in the ministers. Let me give you an overview. Let us not talk specifically about the different clauses; you can do that later at report stage and at third reading.”

He then went on to make the following comments:

Bill C-9, an 883-page agglomeration of varied and unrelated pieces of legislation, is a symptom of an illness in our parliamentary system.

This is a professor from Queen’s University who is extremely well regarded. He went on to say:

It is a consequence of a Parliament that has become close to dysfunctional in its processes of examining and passing legislation over the past 40 and more years.

Talk about the need for parliamentary reform, honourable senators; there cannot be a stronger example than in that observation.

He continued:

Bill C-9, as it now exists, is likely to be at least half the legislation . . .

— that Parliament will pass this year.

All in one piece of legislation, all stuck together, given to one committee to look at; it will be half, at least, of all the legislation that is passed by this Parliament — both houses — during this year. Professor Franks provided us with a trend line that is becoming bigger and bigger. More and more legislation is included in one budget implementation bill, then there is a whole lot of scurrying around and then another budget implementation bill, with everything stuck in it. I think that was telling of Professor Frank’s insight into what is transpiring. He further states:

In many ways, these omnibus budget implementation bills subvert the legislative process. . . . It is a bad road to go down, and it gets worse every year.

Professor Franks told us:

Legislation governs the activities of government by identifying for both citizens and government what government may and may not do. Once passed and

become law, acts of Parliament are the basic control documents that prevent democracy from deteriorating in despotism. Legislation is so fundamental and important to our system of rule of law and democracy that it needs close and careful scrutiny by Parliament and public.

That, honourable senators, is why we, as senators, become uncomfortable when we see legislation that allows everything under the sun — things we cannot even think of — and gives total carte blanche to the executive branch with no oversight and no opportunity to review. The government says, trust us; it is not our intention to go that far.

Senator Mahovlich raised a question of whether we would ever do that. Trust us, Is that the road, as Professor Franks says, that we want to go down? That is the general theme in much of the legislation and many parts of Bill C-9. The principles of good legislative drafting demand that bills deal with a single topic or theme, and they are presented to Parliament in a form that allows a focused debate in a committee examination of the topic of the theme. Professor Franks stated:

Bills should not force Parliament to make an all-encompassing vote on a collection of unrelated policies where Parliament might wish to support some of these measures but would want to reject others.

In my view, recent budget implementation acts violate these principles.

Honourable senators, I am reminded of liking some of the legislation and not liking other parts. I will take you back to *Debates of the Senate* of March 2002. This quote is from our one and only Senator Kinsella:

. . . whilst I am supportive of the African fund, I am not supportive of the air security fee . . .

If, at this stage, we are debating the principle of the bill, what is the principle of the bill?

Honourable senators, that debate was on Bill C-49, budget implementation, where part of a bill was understood and supported, but the other part, dealing with the air security fee, tax, levy was not supported. That is the problem with omnibus legislation. Honourable senators might want to support a piece of it; they might not want to support another piece of it.

By the way, in Bill C-9, there is an increase of 52 per cent in the air security levy.

Senator Moore: How much?

Senator Day: It is an increase of 52 per cent in the air security levy.

Senator Dawson: His Honour was right.

Senator Day: Honourable senators, what I want to do now, with your permission, is to go through the four particular matters we amended and explain them. It is my duty to provide that explanation.

The first one is technical. It deals with the Goods and Services Tax, GST, that is to be collected and remitted to the government by people providing financial services. Certain people in that category — there is a definition of “financial services” — read the legislation and determined, with their advisers, legal or otherwise, that they did not have to pay that tax. Others were of the view, in dealing with Revenue Canada and others, that they should pay it. Someone finally said, “We have to sort out this matter.” They went to court and the court ruled in favour of the broader definition of “financial service providers,” and said, “None of you have to pay it: It is right there in black and white; that is the way we interpret it.”

In legal principle, that is written there. That is not a new interpretation; that is an interpretation of how the law was interpreted from 1990 onward.

Along came Revenue Canada and said, “There is something terribly wrong here: We will lose a lot of revenue. We want a certain segment of people who provide financial services to collect the tax from their clients and remit it to us.”

The government tried to change the legislation but there was immediate confusion in the marketplace because there had been no prior consultation. Some people went to Revenue Canada and said, that they do not understand — people such as the Canadian Bar Association, people who act for others. They said that it was not clear. An interpretation bulletin was published.

• (1810)

As I see someone rising from the Clerk’s desk, I assume that my interpretation of rule 99 does not provide me with the 45 minutes I had hoped to have. Is Your Honour of the same view?

The Hon. the Speaker: Yes.

Senator Day: May I ask for five more minutes?

Some Hon. Senators: Agreed.

Senator Day: Honourable senators, there have been two interpretation bulletins and one other publication from Revenue Canada all in an attempt to get the public to understand a piece of legislation that Revenue Canada and the Department of Justice tells us is very clear. There is a court decision on this that was not to their liking, two interpretation bulletins since they tried to change the legislation.

What have they provided for in this legislation? They provided for the right to go back to 1990 and to require those people who did not pay to collect and remit. Where will they find their customers now?

They say they would not do that, but they want the hammer to make them go back as far as they can. Honourable senators, that is not acceptable in taxing legislation. Going forward, yes, is acceptable; going back 10, 20 years is not acceptable.

Some Hon. Senators: Hear, hear!

Senator Day: Honourable senators, I have a letter from the 2010 GST Leaders’ Forum saying exactly the same thing.

Senator Mitchell: But they like taxes over there.

Senator Day: The Canadian Bar Association says that this must be struck from Bill C-9. The Canadian Bar Association was very clear that it is unacceptable, honourable senators.

The next item that I would like to discuss is Canada Post. I was told many times that there are only 20 words concerning Canada Post in this whole bill of — how many words, goodness knows — tens of thousands of words. The problem is that these words should not be in this legislation. I do not know if the policy is good or bad, but I know that putting it in this legislation seems unwise when Canada Post legislation was stand-alone legislation on two different occasions. Honourable senators, there is a study going on right now in Canada Post, and Canada Post has the potential to lose \$40 million to \$50 million a year in this business. Witnesses told us that they would lose that business at a time when their revenues are dropping because fewer people are mailing letters. Why do we not have a full-blown discussion of Canada Post in stand-alone legislation as it was previously?

Honourable senators, I fully support removing that from this budget implementation legislation.

Some Hon. Senators: Hear, hear.

Senator Day: I am running out of time, honourable senators. Atomic Energy of Canada Limited is everything: It is isotopes; it is intellectual property; it is new concepts; as well as the CANDU 6 reactors. It is all in this legislation. If the Government of Canada sells one share of AECL, after that they can do whatever they want without telling parliamentarians anything.

The isotope aspect of AECL is quite incredible. Honourable senators, after what we have just gone through, how can the government suggest that they could wind this business down and sell it to someone else? We learned that with Crown corporations there is no foreign investment review; there is no oversight for security. This whole business, all of the intellectual property, could be sold off without any public debate whatsoever. Honourable senators, that is not acceptable.

The final item, honourable senators, is environmental assessment. Again, we have a letter from the Canadian Bar Association asking how we could possibly reduce environmental assessments at a time when we have what is going on in the Gulf of Mexico. How could we possibly proceed with piecemeal legislation, giving the minister the right to scope what would be included and what would be excluded?

Government officials told us that this was important because there was a court decision — again they are trying to get around a court decision — that said that one must scope the entire project. Of course one scopes the entire project. “Scope” means study and look into the whole thing, not just a bridge, when there is a tar sands development next door and you are only looking at the bridge over the road into the particular area. That is the problem

with the legislation and the environmental assessment, honourable senators. It is far too radical a move when there is a mandated, statutory, seven-year review beginning in June. We start it now —

An Hon. Senator: Order!

Senator Day: Who is saying “order”?

Senator Stratton: I am.

Senator Ogilvie: Did you not hear?

Senator Day: Honourable senators, in conclusion, permit me —

Senator Tkachuk: You can ask for five minutes.

Senator Day: I would like to ask Senator Tkachuk for five more minutes. Thank you. To be fair to you, I have already asked for five minutes. You may not have been paying attention, honourable senators, but I did. I would not take advantage of you by asking for five more.

To the other new senators, the order comes when the Speaker stands up, not when the Clerk at the table stands up.

Honourable senators, there are four amendments here that are symbolic of a piece of legislation that we should never, ever let pass. We should let the financial aspects pass but not, honourable senators, the non-financial aspects in a budget implementation bill of 900 pages, 24 parts and 2,200 clauses.

Thank you, honourable senators.

Some Hon. Senators: Hear, hear!

Hon. Irving Gerstein: Honourable senators, it is my great pleasure to speak today on Bill C-9, the jobs and economic growth act.

Senator Mercer: Tell us about the Boston Tea Party instead.

Senator Gerstein: As always, I would like to thank Senator Day for reporting this bill to the Senate on behalf of the Standing Senate Committee on National Finance and for his tireless chairmanship of the committee during its lengthy study.

About 64 years ago, in 1946, the Belgian Prime Minister, Paul-Henri Spaak, was President of the first General Assembly of the United Nations. He closed his first meeting with these words —

Senator Mercer: You were there?

Senator Gerstein: I was. He said:

Our agenda is now exhausted. The Secretary-General is exhausted. All of you are exhausted. I find it comforting that . . . we find ourselves in such complete unanimity.

Honourable senators should be similarly comforted to know that the Standing Senate Committee on National Finance has just completed an exhaustive study of Bill C-9. However, while committee members may be unanimously exhausted, sadly, our unanimity does not extend to our opinions of the measures contained in Bill C-9.

Honourable senators, before I get to the specific points of disagreement, allow me first to outline the broad strokes of the bill. Bill C-9 implements the second year of *Canada's Economic Action Plan*, which continues to propel Canada out of the global recession, well ahead of the rest of the developed world.

Some Hon. Senators: Hear, hear.

Senator Gerstein: This plan has created nearly 403,000 net new jobs since July, including 93,000 last month alone. Senator Mercer would be impressed by that. Canada's unemployment rate is 1.6 per cent lower than that of the United States for the first time in more than a generation.

In the first quarter of 2010, Canada's economic growth rate of 6.1 per cent was three times the average rate of our G7 partners and Canada's strongest quarterly growth in a decade. Canada's financial system has been described by the World Economic Forum as the most stable and efficient in the world. Our inflation and interest rates are low; our currency is strong; our debt-to-GDP ratio is the envy of our major partners; and, under this government, our tax rates are increasingly attractive.

In addition to providing the stimulus needed today, *Canada's Economic Action Plan* lays the foundation for a strong economy tomorrow. Budget 2010 reaffirms \$19 billion in stimulus funds for a two-year total of more than \$47 billion. It also provides major new investments in educational infrastructure and world-class research initiatives.

The jobs and economic growth act makes Canada the first tariff-free zone for manufacturers, increasing productivity and giving Canadian companies a major competitive edge. It is estimated that this initiative alone will directly create 12,000 new jobs.

• (1820)

Bill C-9 also amends the tax code to improve Canada's ability to attract venture capital. In the words of the eminent economist Thomas Courchene:

When economic historians look back at Finance Minister Jim Flaherty's 2010 budget, it may well be that the creative and enduring legacy will be that the budget began, at long last, to address Canada's persistent innovation and productivity deficits.

Some Hon. Senators: Hear, hear!

Senator Gerstein: Bill C-9 also provides \$500 million to ensure that no province receives lower transfer payments than they did last year. This government is committed to ensuring that the provinces and territories have adequate and stable funding to provide essential services, like health care and education, to Canadians. This year, the provinces and territories are receiving a

record high \$54 billion in major federal transfers. Honourable senators, this Conservative government, unlike the previous government, has not cut, is not cutting and will not cut transfers to the provinces or individuals.

Some Hon. Senators: Hear, hear!

Senator Gerstein: *Canada's Economic Action Plan* is vital to the present and future well-being of Canada's economy, but economic success sometimes comes at great fiscal cost.

As the great statesman and philosopher Edmond Burke noted in 1796 — not quite as far back as George III but close to it:

Mere parsimony is not economy. Expense and great expense may be an essential part in true economy.

Indeed, in the face of the recent global recession, true economy has entailed great expense. The government's swift and massive fiscal stimulus plan has meant short-term deficit spending, but it has avoided far more severe and enduring economic problems. Budget 2010 delivers the final phase of stimulus investments under *Canada's Economic Action Plan*, but it also plots a course back to balanced budgets.

I have touched on just a few of the many important measures contained in Bill C-9; however, every aspect of this detailed plan for Canada's economic growth has been thoroughly examined by the Standing Senate Committee on National Finance. As I predicted in my comments at second reading, this bill has not overwhelmed the capacity of this institution for sober second thought. Rather, it has exemplified the Senate's ability to fulfil this essential function.

As honourable senators may recall, my remarks on second reading of this bill described the long history of omnibus budget bills in Westminster Parliaments. Certainly it is a long-standing practice of both Liberal and Conservative governments in Canada. The last Liberal budget implementation bill in 2005 contained as many parts as the bill before us now. It amended dozens of existing acts and created several brand new ones. It contained scores of unrelated measures that had little or nothing to do with budgetary policy; but no matter how time-honoured and bipartisan the practice may be, some honourable senators maintain that omnibus budget bills decrease our ability to properly scrutinize legislation.

Bill C-9 clearly proves otherwise. In fact, Bill C-9 has received an extraordinary amount of scrutiny, whether you measure it as a whole, per part, per page or per clause. The Standing Senate Committee on National Finance, as you have heard, has spent 61 hours studying the Jobs and Economic Growth Bill during 24 meetings spanning some four weeks. This is more time than the committee spent studying the last 10 Liberal omnibus budget bills combined. The committee heard from 130 witnesses, including approximately 50 government officials, 4 ministers and 2 parliamentary secretaries. Honourable senators, the government — and this will be of interest to Senator Mercer — accepted every witness opposition senators chose to invite and every witness who requested to appear.

Senator Mercer: Not true.

Some Hon. Senators: Hear, hear.

Senator Gerstein: We experienced constant changes to the schedule in addition to the witness list throughout the entire four weeks of study, for which we applaud our committee clerk, Adam Thompson, and staff. I would suggest that every part of this bill, certainly every contentious part, has received as much study as if it were a stand-alone bill.

Before Bill C-9 received second reading, the sole independent senator on the National Finance Committee, Senator Lowell Murray, declared that the measures contained in Bill C-9:

... ought to be — and must be in any self-respecting parliament — debated on their own merits and examined in committee with an attention commensurate with their importance and complexity.

The government shared that view. That is why, in my comments at second reading, I committed on behalf of the government to allow all the time necessary to rigorously scrutinize Bill C-9. Honourable senators, the government has delivered on that commitment.

The Honourable Senator Murray himself acknowledged during the June 28 meeting at the National Finance Committee:

... what we have been doing in this committee over the last number of days on this bill is as serious and as substantive an exercise as I think I have ever been involved in at the Senate. . . .

Those are very strong sentiments from the Dean of the Senate. Indeed, the government itself took pains to ensure full scrutiny of Bill C-9. For example, seeing that opposition senators called no witnesses at all on Part 5, which accounts for over half of the bill's pages, 457 pages to be exact, the government itself called witnesses to ensure that this major initiative received the consideration it deserved.

Senator Comeau: We did our job.

Senator Gerstein: Those witnesses told the committee about the tremendous economic benefits that will result from making Canada a tariff-free zone for manufacturers.

Some argue that Bill C-9 should have been split at second reading and its different parts studied by the committees that specialize in each policy area.

Senator Mercer: Agreed.

Senator Gerstein: However, as we all know, it is the prerogative of every senator to attend and participate in any meeting of any standing committee. That prerogative was exercised extensively during the study of Bill C-9, by both government and opposition senators. I can assure honourable senators that senators with relevant expertise were able to scrutinize every part of the bill.

For all the reasons I have just described, I believe the progress of Bill C-9 through the Senate and its standing committee ought to be held up as a model of Sir John A.'s vision of this

institution's primary function, that of providing sober second thought on legislation. Nevertheless, honourable senators, the opposition members of the committee have unfortunately chosen to report the bill to the Senate with four important pieces missing.

Senator Eaton: Shame.

Senator Gerstein: The Liberals pretend they want to remove these four parts from the budget bill because they require more scrutiny. However, each of these parts has already received more scrutiny than the entire 24-part omnibus budget bill introduced by the Liberals in 2005.

The first provision the Liberals want to remove from Bill C-9 is clause 55.

Senator Comeau: Shame.

Senator Gerstein: This clause clarifies that investment management services, credit management services and services that facilitate financial services are not exempt from GST. It is important to note that since the GST was introduced in 1991 it has always applied to these services. Clause 55 simply addresses uncertainty arising from a recent court interpretation. It does not impose any new taxes on previously exempt services. This clause simply affirms that transactions that have always been treated as taxable are indeed taxable. It confirms a long-standing policy; it reinforces the status quo.

The same is true of the next part of Bill C-9 that the opposition proposes to delete, Part 15. This 20-word amendment to the Canada Post Corporation Act clarifies the exclusive privilege of Canada Post in light of recent court rulings. Specifically, it clarifies that Canadian companies that have participated in the competitive international remailing business for decades may continue to do so. Like clause 55, Part 15 simply reaffirms the status quo. Canada Post has never exercised an exclusive privilege, which is jargon for a legalized monopoly, with regard to international remailers. These 20 words take nothing away from Canada Post.

However, if Part 15 of Bill C-9 does not become law, thousands of jobs will be taken away from Canadian workers. The committee heard compelling testimony from small business owners who have already had to lay off employees due to the uncertainty that Part 15 is meant to resolve.

The Liberals strongly supported this measure in 2007. Their leader at the time, Stéphane Dion, said in a letter to the President of the Canadian Union of Postal Workers:

• (1830)

It is our intent to support the continued operations of international remailers within Canada. . . . The Liberal Party does not believe that hurting these small business owners would be in the best interest of Canadians.

It is hard to understand why the Liberals have reversed their policy. They claim that Part 15 should not be in a budget bill because it is not a matter of economic policy. Honourable senators, the thousands of Canadians whose jobs will disappear if Part 15 does not pass would disagree.

[Senator Gerstein]

The Liberals also want to strike Part 18 from the budget bill. This part would authorize cabinet to restructure or divest the components of Atomic Energy of Canada Limited. Adjusted for inflation, Canadian taxpayers have invested well over \$20 billion in AECL since its creation. There is no reason to believe that this trend will turn around in the absence of greater market-driven investment and incentives, but there is every reason to believe that a properly restructured AECL can play a positive role in Canada's economy.

Honourable senators, restructuring or divesting a Crown asset is clearly a budgetary issue. Removing a financial burden from the taxpayers of Canada is clearly a budgetary issue. Making an industry more competitive is clearly a budgetary issue. For all these reasons, honourable senators, Part 18 belongs in Bill C-9.

The Liberals do not believe cabinet should be given the authority to restructure or divest AECL, even though it was a Liberal cabinet, through an order-in-council, that created AECL in the first place. Again, the Liberals have reversed themselves.

Finally, the Liberals proposed to delete Part 20 of the Jobs and Economic Growth Bill. This part consolidates authority for most environmental assessments in the hands of the Environmental Assessment Agency. It also places the responsibility for deciding the scope of environmental assessments with the Minister of the Environment, and requires that such decisions be made public. These measures will streamline decision making, reduce delays and duplication, and enhance accountability in the environmental assessment process. They will help synchronize federal and provincial processes, and move towards the principle of "one project, one assessment." Part 20 of Bill C-9 will bring certainty to thousands of infrastructure projects, worth billions of dollars, which are being undertaken as part of *Canada's Economic Action Plan*.

The Hon. the Speaker: I regret to inform the honourable senator that his 15 minutes has expired.

The honourable senator is asking for more time. Is it agreed, honourable senators?

Hon. Senators: Agreed.

Senator Gerstein: These changes are in keeping with repeated recommendations of the Commissioner of the Environment and Sustainable Development.

In fact, Part 18 of Bill C-9 does what the previous Liberal government promised for years but never delivered.

In the October 2004 Speech from the Throne, the Liberal government said:

The Government . . . will consolidate federal environmental assessments and will work with the provinces and territories toward a unified and more effective environmental assessment process for Canada.

On November 23, 2005, Liberal Environment Minister Stéphane Dion issued a press release saying:

More needs to be done — including legislative change — to achieve consolidation that will ensure effective and timely assessments.

In 2006, the Liberal election platform read, in part:

Government must ensure the competitiveness of the energy and mining sectors. To support their long-run economic and environmental sustainability, a Liberal government will . . . reduce overlapping and disjointed regulatory requirements.

Honourable senators, this government is providing action where the previous Liberal government offered only words.

Some Liberal senators say changes to the environmental assessment process should not be in a budget bill. They say it is not an economic issue. Yet, the excerpt I have read from the 2006 Liberal platform were not in the section on environmental policy but in the section entitled: “Strengthening Canada’s regions and resource sectors.”

Honourable senators, whether an initiative is sufficiently tied to the economy to belong in a budget bill is a decision of the government, and this government believes every measure in Bill C-9 is strongly tied to Canada’s economic and fiscal well-being. Clause 55 clarifies a tax policy. Part 15 will save thousands of jobs. Part 18 allows cabinet to restructure Crown assets and liabilities, and save Canadian taxpayers billions of dollars. Part 20 will expedite infrastructure projects that are essential to *Canada’s Economic Action Plan*. If any of these measures does not pass, Canadian jobs will be lost and the burden on taxpayers will increase.

It is obvious that the Liberals are not trying to defeat these parts of the budget bill simply because they see them as budgetary matters. Perhaps they are even trying to remove these parts for purely political reasons.

Senator Cowan and Senator Day both quoted from Dr. Ned Franks of Queen’s University, so I will as well. Professor Franks stated:

We have reached a Parliament where the opposition has carried Lord Randolph Churchill’s dictum — that the duty of the opposition is to oppose — to an extreme that I think handicaps how Parliament works . . . That shows that something is going wrong in our Parliament; that the parties perhaps do not know where they stand. Therefore, they object to everything.

Hon. Senators: Hear, hear.

Senator Gerstein: Honourable senators, Canadian workers, taxpayers and families should not suffer because the Liberal Party does not know where it stands.

If the Senate amends the budget bill, it will only cause delay and instability, which is in no one’s interest. I urge all honourable senators to help pass the Jobs and Economic Growth Bill in its entirety, and without further delay.

In closing, honourable senators, I am reminded of that famous passage from Shakespeare’s *Richard III*:

Now is the winter of our discontent made glorious summer . . . Our stern alarms changed to merry meetings; our dreadful marches to delightful measures.

Any alarm over Bill C-9, the Jobs and Economic Growth Bill, was thoroughly addressed during the countless merry meetings of the Senate Committee on National Finance, and the time has come to adopt all the delightful measures contained in the bill so that all of Canada can enjoy the rest of this glorious summer in stability and growing prosperity.

Some Hon. Senators: Hear, hear.

Hon. David Tkachuk: Honourable senators, I have a question. Will the honourable senator take a question?

Senator Cowan stated repeatedly in his speech that provisions authorizing cabinet to restructure or divest Atomic Energy of Canada Limited were “buried deep” in the budget bill. This sounds sneaky and sinister. In the interest of fair play, can Senator Gerstein please help Senator Cowan to locate the hidden provisions relating to AECL?

Senator Gerstein: I thank Senator Tkachuk for that insightful question. On many occasions, I have heard Liberal senators, or even the press, use the words “hidden” or “buried” to describe the inclusion of measures they do not like in Bill C-9. I am sensitive about this.

Apparently, Senator Cowan has not yet read past the title page and summary of the bill. Had he done so, he would have discovered a secret decoding device called the Table of Contents. According to the Table of Contents, found on pages xiii and xiv, the provisions relating to AECL, which constitute Part 18 of the bill, are cleverly concealed between Parts 17 and 19.

Honourable senators can also use the Table of Contents to locate the other hidden measures buried deep in Bill C-9, such as Part 15 dealing with Canada Post, or Part 20 dealing with environmental assessments. I thank Senator Tkachuk for that question.

The Hon. the Speaker: On debate.

Hon. Pierrette Ringuette: Honourable senators, that is a tough act to follow. However, I ensure my honourable colleagues that I will not be quoting Shakespeare, because I do not think we are reviewing Shakespearean legislation right now.

Senator Day: Oh, it is probably in there.

Senator Mercer: It is buried in there.

Senator Ringuette: With regard to the amendments made at committee stage, we removed four sections from the bill. One of these important sections was the environmental assessment part.

• (1840)

I am not an expert on this, and I am sure some of my colleagues will be speaking to this section. However, I would like to remind my honourable colleagues that in last year's omnibus budget bill, the government removed the environmental assessment requirement for waterways. This year, they are removing the environmental assessment requirement for infrastructure, and for all other projects they are giving the minister the power to identify the scope.

I will move on to the two other issues that are of very deep concern to me. The first, of course, deals with Canada Post. I spoke at second reading with regard to the international treaty obligation of Canada Post. I will talk today about remailers and about the 20 words in Bill C-9 that remove the exclusive privilege of Canada Post.

The Canada Post Corporation Act is a balanced act. It was introduced and passed in Parliament in 1981, and the debate at that time speaks of a balance between obligations and exclusive privilege on both the domestic scene and the international scene.

The 20 words in Bill C-9 that deal with Canada Post remove the exclusive privilege for outbound international mail. That exclusive privilege, I remind honourable senators, is for letter mail weighing 50 grams or less. Therefore, this does not affect magazines or other publications.

In the last 10 years, Canada Post has paid to the federal government — that is, Canadians — \$75 million on average per year in federal taxes and dividends. In our hearings, we heard that these 20 words would decrease Canada Post's revenue by between \$40 million and \$80 million per year. That is \$40 million to \$80 million a year that Canada Post will not have to provide services to Canadians.

On average each year, with the development of communities, Canada Post adds 200,000 new points of delivery, and each additional point of delivery costs an average of \$156 per year. That is \$31 million in additional costs per year. This bill would remove \$80 million from their revenue portfolio and each year they have additional costs of \$31 million.

Neither the officials from Canada Post nor the people who said they were remailers, but who in reality are publishing houses, could answer questions about outbound international letters that come back to Canada, which Canada Post then has to return to the sender. In addition to losing the revenue from that outbound mail, Canada Post will have to incur the cost of returning the mail to the sender, which on average is about \$2 million per year.

In addition, the Government of Canada did not give adequate funding to Canada Post last year for three programs, those being food mail, materials for the blind and the library book rates, which is another \$34 million. Canada Post will have a shortfall of \$116 million.

Why is that in Bill C-9? No one knows. As I have said many times, in 2007 it was in Bill C-14; last year it was in Bill C-44, after which we had prorogation; and then suddenly it is in a budget bill. It has nothing at all to do with the budget. Case in point; the first two times the government introduced the issue in legislation it was not in a budget bill.

I will tell you why I feel this should not be in a budget bill. First, an Ipsos Reid poll done in 2007 with regard to the deregulation of Canada Post found that 79 per cent of Canadians do not want the deregulation of Canada Post. We find this issue in a 900-page omnibus bill that had only 17 hours of debate in the House of Commons and in the house committee before it came to the Senate. The government does not want us to talk about this issue publicly because it will be of great concern. It absolutely will, because the money that Canada Post will lose is money that they will not have to provide services, which is the balance in the Canada Post Act.

The second reason for burying this issue in Bill C-9 is that in May 2008 the Minister of Transport conducted a mandated review of Canada Post. Dr. Campbell chaired the committee. When the mandated review was started, the government had already tabled Bill C-14 in the other place. In addition to the panel reviewing the mandate of Canada Post, the government had to deal with deregulation being studied in the other place.

Over 2,000 submissions were made to that panel, and 98 per cent of them said "no deregulation." The submissions were from municipalities and all kinds of groups that want Canada Post to continue to provide service.

That is why these 20 words are in Bill C-9. It is because the government does not want Canadians to understand what they are removing.

There are only three remailers in Canada, and they are all foreign postal administrations that have deregulated in their own country, which has caused major deficits, so they are looking elsewhere for money. Guess where they are looking?

What will the current government say in two or three years, if it is still in power, when Canada Post has a continuous deficit? The government will say, "Cut the services of Canada Post." That will be the issue. The government will say "Cut out the services," or, in the remailer service they will say, "Privatize it to Royal Mail or Singapore Post or German Post. Let us go. Give it all up."

• (1850)

That brings me to the issue of AECL. Bill C-9 gives carte blanche to the current government to sell in whole or in part all of AECL, including the isotope production that is done at Chalk River.

It has been stated many times that Canadians have put \$8 billion, which is the real figure, over 50 years into AECL for research and promotion, including isotope production. No one has identified the other side of the ledger, which is the revenue side, because all the revenue from the sale of CANDU reactors goes to the general revenue of Canada.

Let us be clear. I do agree that AECL could have better planning, marketing, et cetera. However, besides giving them carte blanche, we are also giving them a blank cheque, because included in the legislation is a provision that the Minister of Natural Resources and the Minister of Finance can spend any kind of money with regard to the sale of the whole or part of AECL. We are also giving them a blank cheque concerning AECL.

Not only did the Harper government not help to sell our Canadian CANDU technology when the President of China and the President of India were here, but they also ordered AECL to stop negotiations for an additional CANDU reactor for Argentina.

I would like to provide honourable senators with a few statistics, which were prepared by the Conference Board of Canada and released in March 2009. Every two CANDU reactors sold in Canada add \$9.4 billion to the GDP, over 64 person years in jobs and \$1.676 billion to the federal government in taxes and income tax.

If AECL received the proper and necessary government support, it could participate in global nuclear science.

The Hon. the Speaker *pro tempore*: I regret to inform the honourable senator that her 15 minutes are up. Is she asking for more time?

Senator Ringuette: Yes.

Hon. Gerald J. Comeau (Deputy Leader of the Government): Five minutes.

Senator Ringuette: Honourable senators, everyone in the industry is talking about a worldwide nuclear renaissance. In the next 30 years, we are looking at the possibility of about 400 CANDU reactor installations throughout the world. With proper government support added to the current credibility of the CANDU technology, if we could have for the next 30 years, 25 per cent of these projects, or 100 sales of CANDU reactors, could you imagine what that would do to our GDP? Can you imagine what it would do to our government revenue and to employment in Canada?

I have an article here from *Nucleonics Week* dated July 8, 2010. It is a report from the Platts European Nuclear Power Conference. At that conference, Daniel Roderick, the President of GE Hitachi, said that with government-to-government deals making up the bulk of nuclear power plant sales worldwide, the U.S. government will have to start intervening in the market to support U.S. vendors and organize a nuclear team U.S.A.

When will we have a nuclear team Canada? Please.

We are giving out, without any further parliamentary input, carte blanche, blank cheques, no conditions whatsoever, a Canadian jewel in technology for the future. Honourable senators, that should be of concern to each and every one of us. That is one of the major reasons every senator in this place providing sober second thought should support the report on Bill C-9. These issues — Canada Post, AECL, environmental assessments and the retroactivity of the GST that creates two different classes of Canadian citizens and taxpayers — should not pass this chamber.

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, before I discuss the important measures contained in Bill C-9 and the contents of the committee report, I would like to begin by discussing the history of the bill to this point.

On April 16, the bill passed through the House of Commons with the assistance of the Liberal opposition. The NDP brought forward a motion to split the bill. With the assistance of the Liberal Party, or the official opposition in the other place, debate on that motion was adjourned and never came to a vote. The bill was passed through the House of Commons committee without amendment, but with the assistance of the Liberal opposition. A motion for time allocation on third reading of the bill succeeded in the House of Commons with the assistance of the Liberal opposition. Finally, on June 8, with the assistance of the Liberal opposition, the bill was passed by the House of Commons and sent to us here in the Senate.

Michael Ignatieff and his Liberal colleagues have always contended that they disagreed with the government on some of the policies contained in the bill. However, they made a commitment to the Canadian people that they would pass the bill unamended. To their credit, Liberal MPs lived up to that commitment, so far.

When the bill arrived here in the Senate, however, we saw something very different from the Liberal Party and the Liberal opposition. On Senator Murray's motion to split the bill, the Liberals stood one by one and, without exception, voted to divide the bill.

It is not true that we rejected the suggestion to pre-study the bill. Admittedly, there were some mixed messages at the beginning but, as the record clearly shows, Senator Comeau, our Deputy Leader, approached Senator Day to pursue this possibility — not that pre-study would have resolved anything, because they voted in unison at committee to gut important provisions contained in the legislation.

Honourable senators, what does this tell us? First, it tells us that the Liberal senators are prepared to delay, perhaps indefinitely, these urgently needed measures that will ensure the Canadian economic recovery continues. They are prepared to delay, for example, nearly \$500 million in payments to cash-strapped, equalization-receiving provinces. I would like to point out to Senator Callbeck, who sits on that committee, that this provision would provide over \$3 million in cash to the province of Prince Edward Island. Liberal members on the committee did not support that money for Prince Edward Island.

• (1900)

The second thing this tells us is that Liberal senators disagree with their party leader. They do not support Michael Ignatieff. They are seriously questioning his leadership. They are prepared to look him in the eye and tell him he should break his commitment to the Canadian public. They would return the bill to the House of Commons and ask him to undo what he did. They would have him do this, even if it would destroy his own leadership. Then again, if you think about it, honourable senators, maybe that is exactly what they want.

Senator Di Nino: Exactly.

Senator Comeau: Exactly.

Senator Comeau: Bob Rae.

Senator LeBreton: Let me turn to the important measures contained in Bill C-9, the Jobs and Economic Growth Bill, all of which will be delayed if this report is adopted.

This ambitious legislation includes key elements of Budget 2010 and year two of *Canada's Economic Action Plan*. The bill is a key component of that plan and is a testament to the proactive and aggressive actions that our Conservative government has taken. Our Conservative government, through Bill C-9, is working to address the long-term opportunities and challenges that our country will be confronting in the years ahead. The jobs and economic growth act would accomplish that objective by bringing forward a range of economic measures to contribute to Canada's advantage now and for the future. For example, it would do the following: eliminate tariffs on manufacturing inputs and machinery and equipment; eliminate the need for tax reporting under section 116 of the Income Tax Act for many investments; narrow the definition of taxable Canadian property; implement important changes to strengthen federally regulated private pension plans; implement the one-time transfer protection payment to provincial governments announced in December 2009; regulate national payment card networks and their operators, if necessary; enable credit unions to incorporate federally and operate as banks; make it easier for companies to offer telecommunications services to Canadians; stimulate the mining industry by extending the Mineral Exploration Tax Credit; create greater tax fairness between single- and two-parent families with respect to claiming Universal Child Care Benefit amounts; and implement an enhanced stamping regime for tobacco products to deter contraband.

There is much more, honourable senators.

All of these important, urgent measures will be delayed even further should this chamber decide to adopt the committee report on Bill C-9.

Let us look briefly at a few of the highlights contained in the bill and hear what Canadians are saying about them.

First, we are proposing to completely eliminate tariffs on manufacturing inputs and machinery and equipment. This bold action will position Canada as the first country in the G7 and G20 to be a tariff-free zone for manufacturing. Manufacturers across the country are applauding that move. Canadian manufacturers will be able to produce their quality goods right here in Canada, without job-killing tariffs and without a web of productivity-draining red tape. It will give our manufacturers the competitive advantage they need to succeed in the global marketplace. This important initiative will lower production costs, increase competitiveness and enhance innovation and productivity. How many times have we heard experts tell us that this is an area that is in urgent need of attention?

More important, it is estimated that our move to make Canada a tariff-free zone for manufacturing will create 12,000 new, good quality jobs in the years ahead.

The Jobs and Economic Growth Bill would truly make Canada an even more attractive place for new investment and for the new jobs it would create. This would also further assist in diversifying Canada's trade patterns. It would complement our Conservative government's efforts to expand freer trade with places like the European Union and India, and implement recent agreements with Colombia, Panama and Jordan.

Since announcing this bold initiative, we have heard a lot of positive feedback. I would like to draw to the attention of honourable senators some of the praise our government has been receiving.

Linda Hasenfratz, CEO of Linamar Corporation said the following:

Anything that we can do to reduce costs in terms of importing manufacturing equipment is going to be of benefit to us. We do buy a lot of equipment. We tend to spend somewhere between \$180 million and \$200 million a year on manufacturing equipment, so to improve the cost of that is going to be a benefit to us.

Dani Reiss, CEO of Canada Goose, also heralded it as:

... a great move ... tariffs only made it more expensive to be a Canadian manufacturer. I think this move by the government will make made in Canada viable for more apparel companies.

The Saskatchewan Trade and Export Partnership also calls the tariff-free zone "a big deal," adding:

Investment in new machinery and the latest technology is one good way to more effectively produce goods and to make them more competitive. Much high-technology equipment must be imported from Europe and Asia, so eliminating tariffs helps make it more affordable for Canadian manufacturers.

Andrew Coyne, the respected public policy commentator and national editor for *Maclean's* magazine cheered it as well. Mr. Coyne said that it is:

... terrific public policy, a shot in the arm for Canada's manufacturers, and a timely example to the rest of the world. It will lower costs, save on paperwork, and improve productivity. It will make Canada the G20's first tariff-free zone, and as such is likely to prove an attractive incentive to locate a plant here.

However, if the bill is amended by this report, these measures will be delayed, costing thousands of jobs in a recovering but still struggling manufacturing sector.

Let us talk about the pro-growth reform to section 116 of the Income Tax Act. Specifically, the bill helps by eliminating tax reporting for investments such as those by non-resident venture

capital funds in a typical Canadian high tech firm. This would enhance the ability of Canadian businesses to attract foreign venture capital, fuelling job creation and economic growth. We have also heard glowing praise for this move from all across Canada.

Dave Bullock, CEO of LiveHive Systems, speaking for the Waterloo region tech cluster that is home to more than 700 technology companies, remarked:

Very simply, amending Section 116 removes one of the biggest barriers to growing successful companies in Canada - access to international investment capital. . . . This is a change that will give promising Canadian companies the opportunity to get to that next level.

Canada's research-based pharmaceutical companies also cheered the move as "a far-sighted approach . . . which will have the capacity to boost the flow of venture capital into Canada for biotechnology and biopharmaceutical companies."

Here, again, Liberal senators would have us delay the implementation of these measures, costing thousands of jobs.

Senator Comeau: Shame.

Senator LeBreton: Another key element of the Jobs and Economic Growth Bill is the important changes to strengthen federally regulated private pension plans. I would like to congratulate Ted Menzies, the Parliamentary Secretary to the Minister of Finance, for his extremely hard work on this file.

Senator Comeau: Very effective.

Senator LeBreton: By way of background, in early 2009, our Conservative government announced that we would review issues related to pensions under federal jurisdiction regulated by way of the Pension Benefits Standards Act, 1985. This represented the first comprehensive review of the legislation in nearly three decades. We started that process in January 2009, when we released for public comment a major research paper on legislative and regulatory regimes for federally regulated private pension plans. We followed up with an extensive cross-country and online public consultation open to all Canadians. We carefully reviewed these submissions through the summer and into the fall of 2009, when we announced a package of significant reforms to federally regulated pensions that, I humbly suggest, got it right.

• (1910)

One change I am particularly pleased with is included in the Jobs and Economic Growth Bill, also known as Bill C-9. Namely, it is the requirement for plan sponsors who voluntarily wind up a pension plan to fund 100 per cent of their contractual commitments to those plan members. We have all heard the troubling stories of various plan sponsors who made a decision to stop offering defined benefit plans to their employees. On too many occasions this meant that those retirees did not receive 100 per cent of what they had been promised and what they deserved. The old framework actually allowed that to occur. We thought that was wrong and that is why we are changing this policy in Bill C-9.

Other key reforms to federally regulated pensions in the jobs and economic growth act consist of the following: authorizing an employer to use a letter of credit, if certain conditions are met, to satisfy solvency funding obligations in respect to a pension plan that has not been terminated in whole; establishing a distressed pension plan workout scheme under which the employer and representatives of the members and retirees may negotiate changes to the plan's funding requirements, subject to the approval of the Minister of Finance; and permitting the Superintendent of Financial Institutions to replace an actuary if the superintendent is of the opinion that it is in the best interests of the members or retirees.

I am happy to report that the reforms we announced were well received by public interest groups and many commentators. The National Association of Federal Retirees was "pleased to hear that the Government of Canada is taking action to strengthen the pension framework and enhance benefit security. . . ."

Dan Braniff, founder of the Common Front for Retirement Security, in a letter to the Minister of Finance wrote:

This is an important milestone for creating greater security for many pensioners and plan members. . . . We also wish to show our appreciation for the excellent work of the member for Macleod. . . .

— that being Ted Menzies —

. . . who travelled across Canada and obviously listened to the voices of pensioners. . . . Thank you for taking this very important step for better retirement security at this very critical time.

Ian Lee, of Carleton University's Sprott School of Business, called the reforms:

. . . far-reaching because they do address some of the demands that were being made by pension advocates. . . . What it's going to do is create a framework that is going to allow for greater scrutiny . . . change the rules whereby companies can contribute more money . . . in aggregate I think it's going to ensure that our pensions are on a better footing, a more solid foundation.

As well, the Canadian Labour Congress, hardly a supporter of this government, admitted:

These changes result from the consultations the government has held over the past year and some of them look good. . . .

But, if we listen to Liberal senators and adopt this report, pensioners will continue to live with the uncertainty of the status quo.

One more positive element of the jobs and economic growth act that I would like to take a moment to highlight this evening is the provision to enable credit unions to incorporate federally.

In this legislation, we are proposing to create a federal legislative framework for credit unions. This is to promote the continued growth and competitiveness of the financial sector. Allowing credit unions to grow and be competitive on a national

scale will broaden the choices for consumers and attract new members. It will also improve services to existing members across provincial borders.

Again, we have heard a great deal of feedback on this particular provision.

Credit Union Atlantic has hailed this move as:

... an important step forward for the credit union system
... this provides a framework for a more competitive banking system in Canada and will enable further growth of the credit union alternative.

The Case for Progress Committee, a coalition of several credit unions across the country, called it an “historic milestone.”

This new legislation benefits all Canadians by increasing their choices in selecting a financial institution. It will strengthen the stability and the competitiveness of the entire financial services industry in Canada.

If Liberal senators opposite delay these measures and force the adoption of this report, credit unions will continue to be at a disadvantage and our financial system will suffer.

Honourable senators, I have only scratched the surface of what is clearly an ambitious piece of legislation. The Jobs and Economic Growth Bill contains much more good news than I am sure the opposition would want to hear or would welcome; items like the important financial support for excellent organizations such as the Canadian Youth Business Foundation, Genome Canada, Pathways to Education and the Rick Hansen Foundation.

Canada's Economic Action Plan and its related components, like the jobs and economic growth act, is making an important, positive contribution across Canada and it is time that we got on with the business of bringing it into law.

Now, honourable senators, let me talk about one particular aspect of the bill the Liberal members of the committee would like to delete. I just listened to Senator Ringuette with all the scare mongering and I harken back to something I mentioned at committee when I sat in for Senator Neufeld.

By the way, I applaud all the members of the committee, but particularly our members on the committee, for their many hours of work. I sat in for Senator Neufeld for half a day and I had the utmost sympathy for my colleagues on this side who had to put up with that kind of nonsense.

I pointed out at that time — I think it was in 1981 — when Canada Post, then a department of government, was in complete disarray. The Conservatives were not the government at the time. The government employees who worked for Canada Post were so ashamed to admit they worked for Canada Post that when they were surveyed and asked who they worked for they would answer the Government of Canada. The government of the day decided to make Canada Post a Crown corporation. I invite senators to go back and look at some of the criticisms at that time. Canada Post was going to be completely ripped apart — private sector,

horrible thought. The private sector would be in, mail delivery would crash, rural post offices would be closing, mailboxes would be ripped up all across the country, and this was the sort of thing that our colleague opposite was scare mongering about here today.

Liberal members of the committee would have us delete Part 15 — a very small part — dealing with Canada Post. This single clause would remove outgoing international letters from the definition of Canada Post's exclusive privilege. Canada Post did not object to this measure and said they would be happy to try to compete for this business.

Some Liberal senators would have you believe that this aspect of the bill would be the beginning of the end, as I said a moment ago, of Canada Post as we know it. However, honourable senators, the committee heard that this provision does nothing more than put into law the status quo; something that has been going on for over two decades. The bill would protect the jobs of those companies that had been providing outbound international mail services for decades.

The bill in no way impacts on Canada Post's exclusive privilege to deliver mail within Canada and would in no way impact its ability to compete internationally. Even the head of Canada Post said that. The committee devoted the time of five meetings to discuss this issue because of nothing more than a red herring raised by Senator Ringuette.

How dare we turn a blind eye to the testimony of the Evan Zelikovitz, on behalf of the Canadian International Mail Association, or Barry Sikora, that very interesting gentleman who has a small business. He is a man after my own heart. He is sort of like my husband; he said he hates wearing a suit but he had to wear one to appear before the Senate committee. He employs Canadians in a small company. Because of the uncertainty surrounding this provision, the number of his employees has dropped from 30-some down to 17. How dare we say that these legitimate Canadian businesses — and all the subsidiary businesses that depend on them — have no right to operate in Canada, because Senator Ringuette sees some red herring that this will be the end of Canada Post? How dare we. It is the so-called hidden agenda.

• (1920)

Senator Tkachuk: She worked for Canada Post.

Senator Ringuette: I know what I am talking about; some people do not.

Senator LeBreton: She worked for Canada Post under André Ouellet, and guess what; they lost money.

An Hon. Senator: No. Are you surprised?

Senator LeBreton: When Moya Greene took over, they made money. No, I am not surprised.

Hon. Anne C. Cools: Point of order.

[Senator LeBreton]

Senator LeBreton: Honourable senators, maybe they would not have lost money if —

Senator Cordy: Point of order.

Senator Munson: What is the point of order?

Senator Cools: Honourable senators, I try with considerable care to hear what the honourable senator is saying but she keeps turning her back on us and on the Speaker. I would like to point that out. What she is saying is interesting so I would like her to address us as well.

Senator LeBreton: Honourable senators, I have tried to turn this way to address the Speaker because I quite like looking at His Honour. I like looking at the Speaker *pro tempore*. It looks good on him.

Unfortunately, honourable senators, my microphone is here. In any event, I will try to do a few pirouettes like someone else I might mention did years ago.

Senator Munson: He was a great man. Pierre Trudeau; I will mention his name.

Senator LeBreton: Honourable senators, I would like to put on the record the government's position on AECL.

The Government of Canada is investing \$300 million in the operations of the Atomic Energy of Canada Limited to help strengthen Canada's nuclear advantage. This funding will cover anticipated commercial losses and support the corporation's operations, including the continued development of the Advanced CANDU Reactor, ensuring a secure supply of medical isotopes and maintaining safe and reliable operations at the Chalk River laboratories. We are happy to see the Canadian nuclear body has given them approval to start up the reactors.

Honourable senators, over 30,000 Canadians are directly employed in the nuclear industry. Those are good, highly-skilled and well-paid jobs. Our government is committed to making sure that these jobs are maintained.

Global nuclear needs are expanding. Nuclear energy is an important emission-free source of power and it is key to achieving Canada's objective of becoming a clean energy superpower.

We have invited investors to submit proposals for AECL's CANDU reactor division to strengthen its global presence, access opportunities around the world and reduce the financial risks carried year after year after year by the Canadian taxpayer.

Honourable senators, this bill has now been before us for more than two months. It has lingered in Parliament longer than any other budget implementation bill in recent history at a time when our economy continues to be fragile.

Senator Mitchell: This is 10 times longer than any other bill.

Senator LeBreton: We cannot risk the economic recovery by delaying these measures any longer.

Honourable senators, I have just a quick word on the omnibus nature of this bill. You would think that this is something that we hatched up in a back room. Omnibus bills have been around for a long time, as I believe Professor Franks indicated.

An Hon. Senator: Since before Confederation.

Senator LeBreton: We had omnibus bills under the previous government when it had a majority.

I think we even had omnibus bills when Senator Murray was the Leader of the Government in the Senate.

An Hon. Senator: He remembers that.

Senator Di Nino: We did not split them.

Senator LeBreton: When people in the caucus of Senator Murray would question these things, he would say, "Just pay attention. Follow what I am saying and basically keep your mouth shut."

I was subjected to a few of those lectures myself from time to time. I do not mind telling you.

It is time, therefore, honourable senators, and, more particularly to our colleagues opposite, to get on with the business before us, respect the wishes of the elected house and their party leader, in particular, and pass this bill in its original form.

The Hon. the Speaker *pro tempore*: Honourable Senator LeBreton, will you accept a question?

Hon. Percy E. Downe: Honourable senators, a few days ago, the Speaker declared, under rule 32.1, that he had received a written declaration of private interest from Senator Segal on the budget. Senator Segal wrote to the Clerk of the Senate indicating that there is a potential in the future the budget could affect a private interest of his outside his Senate duties.

Is the Leader of the Government in the Senate aware of any other senators who could be in a conflict by voting on this budget?

Senator LeBreton: Honourable senators, I listened to what Senator Segal had to say. I also read the reports of what the ethics officer said. If I read it correctly, the Senate Ethics Officer did not see a problem. This is not a question for me to answer; it is a question for the ethics officer. When he gave advice to Senator Segal, he seemed to indicate that Senator Segal would not be in conflict. Senator Segal decided — I have not talked to him personally about it — that he may be and took the actions that he did. However, that is not something that I or anyone in the government would concern ourselves with. That is why we have an ethics officer.

Senator Downe: I think it would be a concern to the Leader of the Government because, under the rules of conduct, section 8 is very clear for all senators. I will quote it:

When performing parliamentary duties and functions, a Senator shall not act or attempt to act in any way to further his or her private interests, or those of a family member, or to improperly further another person's or entity's private interests.

Did the Leader of the Government in the Senate canvass her caucus and are there any other senators in the same position as Senator Segal who should avoid voting on Bill C-9?

Senator Comeau: A drive-by smear again.

Senator LeBreton: Honourable senators, again, the fact is that we have a Senate Ethics Officer. Any senator on either side who is voting or participating in passing or not passing legislation has it within his or her purview to consult the Senate Ethics Officer. Bill C-9 is an important piece of legislation. The thrust of it is to the benefit of ordinary Canadians in all walks of life. Therefore, any senator on either side who feels they are in conflict for activities that they may be involved in or have been involved in in the past can always go and ask the Senate Ethics Officer.

The Hon. the Speaker *pro tempore*: Do other honourable senators wish to ask a question?

[Translation]

Hon. Jean Lapointe: Honourable senators, I was sitting on the Stamp Advisory Committee when André Ouellet, the former minister, arrived.

[English]

I cannot recall why but they were losing money. A few years following his nomination, they started to make a lot of money. Are you aware of that?

Senator Munson: Yes, for Canada.

Senator Di Nino: Where is this going?

Senator LeBreton: I was not. I do know that Canada Post now turns a profit. That may very well have started under André Ouellet.

• (1930)

It confirms my point that Senator Ringuette is so concerned about Canada Post and the remailers when they have been in business for decades. They have obviously had no impact on the ability of Canada Post to turn a profit. I will acknowledge that perhaps the turnaround started with André Ouellet. I am not certain of that, but I do know it turns a profit now.

The fact of the matter is that it only makes the point that interfering with legitimate, small Canadian businesses and fear-mongering over what might happen to Canada Post is unfair to those businesses because they are small business people and they contribute to hiring individuals to work for those

companies and create jobs. Why would we do anything to make their life difficult, especially when it is having no impact on the ability of Canada Post to turn a profit?

Senator Lapointe: I ask the leader how many millions Canada Post has made under André Ouellet. She will be surprised by the answer.

Senator Day: Honourable senators, I was listening carefully to the leader's words and I just want to clarify a few points.

First, she used the same wording that the government officials used when they appeared before us in relation to the mandate given to Rothschild to attempt to sell the CANDU reactor division. However, when we look at Bill C-9, we know that the government is asking for permission to sell the whole thing, which includes the reactor in Chalk River, all of the intellectual property and the reactor that the honourable senator made reference to that produces the isotopes.

Why is the government asking for broader rights and authority from Parliament in Bill C-9 that the leader, and the officials who came before us, say the government intends to use at this stage?

Senator LeBreton: Anyone who has been around this place as long as I have knows about the difficulties and costs of AECL, notwithstanding their tremendous expertise. It has been and continues to be a huge burden on the Canadian taxpayer.

As the minister indicated in testimony and as the government has indicated openly, interest has been expressed in Atomic Energy of Canada Limited. The public interest is naturally more on the power-generating nuclear reactors. I guess the short answer is AECL is AECL. When one is out in the global marketplace, obviously there is more concern with the power-generating nuclear reactors. There may be, although I have no information in this regard, some point in time when someone may consider the full AECL file. For the moment, the focus is actually on the CANDU reactors.

Senator Day: I understand the honourable leader's answer to mean that the government may exercise the power it is asking for sometime in the future but does not have the intention in the immediate future for the isotope production side, the CANDU reactor side and the intellectual property that comes from that. If I have misinterpreted her, please correct me.

Otherwise, I will go on to the customs tariff. With respect to that, the Finance Committee heard from representatives of manufactures and exporters. They said that if they would have been consulted, they would have preferred an extension of the accelerated capital cost allowance on equipment rather than the customs tariff approach being taken here. What were the policy considerations that led the government to go with the customs tariff rather than where industry wanted to go?

Senator LeBreton: There may have been a witness who said that, but when the government and the Minister of Finance widely consulted prior to the budget, they had a great deal of input from many industry people. As honourable senators can tell by the quotes I read in my speech, there were a great many people in the manufacturing sector who were happy with the decision the government took.

One can always find witnesses on anything. Even with something as positive and beneficial to manufacturers as the measures in Bill C-9, one will always find someone who wants a little more consultation. At some point in time, the Minister of Finance and the officials in the Department of Finance must look at the broad range of inputs and make a decision on the way to proceed. One could go until the end of time citing one witness as opposed to others. At the end of the day, the Minister of Finance and the government, after consultations, decided to go this route for good and valid reasons.

I do not know why this person or group felt they were not consulted. I know the consultations were very broad and extensive and happened over a great period of time.

Senator Day: I have a final question in relation to this area of the customs tariff. We were informed that there are many manufacturers' inputs where the customs tariff has not been reduced to zero in order to protect Canadian companies. I believe the leader will agree with me that there are customs tariffs that are zero and there are others that are not zero. I am wondering why the honourable senator is saying this is a tax-free zone now. Is she saying the government is hoping to move in that direction at sometime in the future?

Senator LeBreton: I think my remarks speak for themselves. I was also quoting other sources.

In terms of tariffs, we are, without a doubt, in the most advantageous position of all of the G20 countries. I realize there are always circumstances from one manufacturer to another that vary slightly, but the bottom line is that the measures brought in by Bill C-9 have put Canada in a unique position, unmatched in the world.

Senator Day: The minister is confirming that we are not now a tax-free zone for manufacturing input.

The Hon. the Speaker pro tempore: Are there other honourable senators who wish to pose a question to Senator LeBreton?

Hon. Joan Fraser: Honourable senators, this is a question I would have put to Senator Gerstein, but his time had run out. Since he was speaking for the government side, I will put it to Senator LeBreton.

We all love listening to Senator Gerstein's historical notes. He is a terrific speaker and he does some fantastic research. I did wonder about the, "Now is the winter of our discontent, made glorious summer" quotation from *Richard III*. If memory serves, what turns the winter of our discontent into a glorious summer is this "sun of York," to wit, Richard III. We all know what kind of reputation Richard III had. We all know that he got his job in odd ways — by passing some exceedingly strange legislation and launching a massive propaganda campaign attacking the parentage and legitimacy of his predecessor. When a cabinet minister was thought not to be 100 per cent loyal, he was hauled out of the cabinet meeting, taken into the garden and beheaded. I will not even talk about the little princess in the tower.

• (1940)

Richard III's summer was not very long and not very sweet. In light of that, I wonder if the leader agrees with Senator Gerstein's historical parallel.

Senator LeBreton: I see a trap in that question.

Senator Di Nino: I think so too, a big one.

Senator LeBreton: I can see where Senator Fraser is going, as if somehow or other we in the government will be brought out to the garden and beheaded, which of course is a falsehood. I will have to leave that for Senator Gerstein at some point in time to further educate us on British history.

The fact is that this piece of legislation is important to the government and people of Canada. It was developed after a very long consultation period. It is our budget and our implementation plan. It is not something where we go back and cry over spilled milk, so to speak, or try to show a bit of one-upmanship.

This is our plan. We believe this is good for the country. We know how things were done in the past with AECL and Canada Post. We have a different approach. We are the government, and that is why we are so adamant that the budget implementation bill is a solid piece of legislation that will benefit a great many people in this country, most particularly the hard-working taxpayer.

The Hon. the Speaker pro tempore: Do any other senators wish to pose a question to the Honourable Leader of the Government in the Senate?

Hon. Wilfred P. Moore: I have been trying to get an answer for a couple years, and I will try again tonight.

Honourable senators, a couple of years ago, the Leader's government improperly terminated the employment of Linda Keen, then the head of the Canadian Nuclear Safety Commission. At that time, the Canadian public learned of and became focused on the fact that Canada is a leading supplier of isotopes. At that time, I asked the leader a question about the fact that Canada seemed to be doing well in the revenues, and I wanted to know the economics of the production of isotopes in Canada. I never did get an answer. I would like to know if the leader got an answer, and did that answer impact this decision to insert the clause in Part 18 of this bill?

Senator LeBreton: I thank Senator Moore for that question. First, with regard to Linda Keen, I point out to the honourable senator that actions were taken after a vote in the House of Commons and the Senate dealing with the shutdown and the difficulties it caused to the isotope production.

Linda Keen and her role were dealt with by Parliament, not only in the House of Commons but in the Senate. Linda Keen has nothing to do with this legislation.

With regard to the isotopes, certainly the government has indicated — and we were no happier about it than anyone else — the problems that AECL was experiencing at Chalk River. Most people, when the reactor went down a year ago May, would have never imagined it would have taken a year and three months to repair the reactor and have it up and running. There is no doubt that

AECL produces a significant supply of the world's isotopes. There is also no doubt that, even though there were some shortages of isotopes, the medical community and hospitals compensated fairly well, and it created greater efficiencies in hospitals in the use of isotopes.

However, the question has been asked by many people, when we almost corner the market on medical isotopes, why is AECL losing money? On the isotope side, all I can say is we are pleased to know now that the reactor will be up and running. There is a limited time that the nuclear safety board will allow it to produce.

I am sorry the honourable senator's question was not answered. When we start a new parliament, if people do not repose their questions, they do not get answered.

In any event, Linda Keen and her role, I think it was in 2007, of shutting down the NRU at that time were dealt with by Parliament unanimously in both houses.

[Translation]

Senator Lapointe: Honourable senators, you know I hate wasting time, so I will be brief but incisive. Since about 2 p.m. this afternoon, I have been seeing double, but do not worry, I will not speak in stereo.

A number of Mr. Harper's bills were rejected and died on the order paper. I do not need to list them; we heard about them today in other speeches. His attempt to push everything through in the budget is the grossest indecency I have seen in my nine years in the Senate. Instead of calling him Mr. Harper, I will now refer to him simply as Harper. Harper, you are a liar, a hypocrite and completely lack any integrity. The people of Canada will remember this indecency for a long time.

Hon. Percy Mockler: That is disrespectful.

Senator Lapointe: Senator Mockler, be quiet. I was not talking to you. If you have something to say, then rise and say it.

Senator Comeau: We would ask the honourable senators on the other side to speak to Senator Lapointe. There is a long-standing tradition on Parliament Hill that we do not call anyone a liar. No matter how partisan our thinking, no matter how steadfast we are in our beliefs, that is not how we act on this side of the house and we would like everyone to follow our lead.

I would therefore ask the honourable senators on the other side of the chamber to speak to Senator Lapointe, to calm him somewhat, and to remind him that we cannot use that type of language when referring to a parliamentarian, whether he or she is one of our colleagues on the Hill or the Prime Minister of Canada, or even the Leader of the Opposition or any party. If Senator Lapointe does not have respect for him, that is his business. However, that type of language is not tolerated in this place.

Perhaps the Honourable Senator Lapointe would like to repeat that type of comment outside this precinct and see what happens, but I will ask him to withdraw his comments and do what he must.

Senator Lapointe said that he has been in the Senate for nine years. I have been here for 25 years and I know that it is not the type of language we use in this chamber.

[Senator LeBreton]

• (1950)

[English]

The Hon. the Speaker *pro tempore*: In keeping with the decorum of this chamber, I ask that Honourable Senator Lapointe use accepted parliamentary language.

[Translation]

Senator Lapointe: Of course, honourable senators, but that does not prevent me from thinking it.

Canadians will remember this scheme for years to come and, if they should forget it, we will be sure to remind them at an opportune time.

I count many Conservative senators as friends whom I love and admire, but if this is what politics is, I will be happy to take my leave of it on December 6.

However, I will never forget the unceasing support of Senator Hervieux-Payette, and Senators Massicotte, Baker, Furey and Pépin, to name just a few.

I want to thank you from the bottom of my heart, and I am sorry for having insulted your idol.

[English]

Hon. Lowell Murray: Honourable senators, I wish to touch briefly on a couple of points raised by the Honourable Leader of the Government in her speech.

First, with respect to credit unions, this is a vast subject and we would need many more hours than we have to discuss it and to do justice to it. However, I think I can say with some confidence, based on what we heard at the committee and on my own consultations, that the provisions in Bill C-9, bringing the credit unions into a federal legislative framework, are, at most, a poor second best so far as the credit union movement is concerned.

The credit unions did not want to be brought under the same regulatory umbrella as the chartered banks, and I think the fact that they are being brought there by the government owes more to the insistent demands of the chartered banks that we have a "level playing field." Can you imagine the chartered banks demanding a level playing field with the big bad credit unions? That is what we are doing with this bill.

I happen to know — we heard it at the committee and I confirmed it in consultations — that what the credit unions would have vastly preferred is to have the present Canada Cooperatives Act brought up to date to allow them to function, under the federal jurisdiction, to do what they are doing now in the banking business. That is what they wanted to do under the aegis of the present Canada Cooperatives Act. The problem is

that act, we are told, was obsolete almost before it got going, and attempts over the years by the credit union movement to have it brought up to date have failed.

I have a history of Le Mouvement Desjardins, which one of the witnesses sent to me. I received it today, actually. I was interested to see that the credit union movement has been trying, since early in the 20th century, to get an appropriate federal legislative framework for themselves.

The man who made the most valiant try to get it done, I think in 1908, was the then Solicitor General of Canada, Arthur Meighen. He failed because the same big financial interests that dogged him during his entire political career blocked him.

Perhaps it might be an idea for the Senate Banking Committee, under the distinguished chairmanship of Arthur Meighen's grandson, to take a look at this in a broader context. I will gladly send my copy of the history of Le Mouvement Desjardins to Senator Meighen if he would agree to return it, as I have not yet finished it.

Senator LeBreton raised the matter of equalization in her speech, and her apprehension of the trauma that must be visited upon provincial treasuries these days because we have not passed the parts dealing with federal-provincial fiscal relations.

Honourable senators, before they were told by the Department of Finance, before the estimates or the budget came down, and before we ever saw Bill C-9, I am sure the provinces were told what to expect in equalization payments. Trust me, they have booked it. They are spending it as we speak. They know the cheque is coming.

There is plenty of precedent for prorogations and even dissolutions intervening between the presentation of a budget and the legislative process to give effect to the measures contained in that budget. The first thing that has always happened after such prorogation or dissolution is that Parliament sets to work to pass the legislation that they did not pass to make the previous budget whole. We have seen that happen many times over the years.

Senator LeBreton may lose some sleep over this, but I assure her that there is no provincial treasurer or territorial treasurer in this country that is losing a minute's sleep over it.

Senator Ringuette and others dealt in considerable detail with AECL. I will try not to repeat what they have said. I have not heard anyone argue against the proposition that AECL needs access to private capital and debt or that it needs to be bigger to take advantage of global market opportunities that are on the horizon. Indeed, Rothschild, who put out the document that accompanied the request for proposals in December 2009, refers to it as a "global nuclear renaissance."

Honourable senators, I believe that Senator Ringuette put on the record the fact that is contained in the documents, namely, that what we are looking at over the next 15 to 20 years is somewhere between 100 to 228 new reactors. We are looking at \$400 billion in markets open to the competitive process, not to

mention the refurbishment of existing reactors that is coming up. I think I saw somewhere recently that 60 per cent of the reactors currently in service are approaching fairly closely their best-before date, as it were, and will need refurbishing. That is another extremely important market.

AECL needs to grow; it needs restructuring; it needs partners; and it needs investment. Honourable senators, when we were at that committee, we were reminded, time and time again, that every other nuclear power company in the world is backed by national governments — backed technically, financially, and in terms of marketing and promotion. The lesson is clear that if we want any future for AECL, much less for the nuclear industry, the huge nuclear industry that has grown up in this country, then the Government of Canada will have to be a major player going forward.

We ask now, on the basis of this bill and on the basis of much that we heard at the committee: Is that the intention of the present government? The policy objectives set out in the Department of Natural Resources document in May 2009 and the Rothschild document in 2010 both seem very positive. However, the bill and the rhetoric from the government side tell quite a different story.

This bill would give the Governor-in-Council, as has been pointed out, the authority for the reorganization and divestiture of all or any part of AECL's business; and there is nothing excluded — not isotopes, nothing — to sell or otherwise dispose of some or all of the securities of AECL, to procure the amalgamation of AECL, or to procure the dissolution of AECL. That is not encouraging for people who are concerned about the future of AECL and of the nuclear industry in this country, because there is no going back. Once the Governor-in-Council receives this authority from Parliament, we will never be consulted again.

• (2000)

When Mr. Flaherty came before the committee on June 17, not a syllable was pronounced in his opening statement with regard to the provisions on AECL. When he was asked details by honourable senators about AECL, his answer — and I am paraphrasing — was, I am not the minister of AECL; there is another minister of AECL. It's not in the budget, he said, twice. No, it is not in the budget, it is in the budget implementation bill.

He said almost nothing about what AECL and the nuclear industry have contributed to this country over the years. His main point, which is a one-dimensional approach to the issue, was that AECL — and I am quoting directly now — "is a major drain on the treasury." We heard the same thing tonight from the Honourable Leader of the Government, and we have heard it time and again in the questions put by Conservative senators who were members of the committee.

People may be forgiven for thinking that the government has given up on AECL; the government wants to unload it as soon as it can. I think, if it came to that, that the government would padlock it and walk away from it. That is what people are concerned about. If we turn over this company to the cabinet, lock, stock and barrel, it may turn out beautifully, but it may turn

out horribly. That is why we believe that there should be some process whereby Parliament will have an opportunity, not to nickel and dime, not to tie the hands of the negotiators, not even to amend the final decision, but rather to vote down the decision if we believe that it is not in the national interest.

I heard Senator LeBreton talking again tonight, as only one of many, about AECL, all the money it has lost and so on. Putting the government's best foot forward on this issue, even the Rothschild report points out that all of AECL's most recent new-build projects have been completed on, or ahead of, schedule and on, or below, budget. The document points to the Romania reactor in 1986, on budget and on schedule; units 2, 3 and 4 in South Korea between 1997 and 1999, on budget and on schedule; unit 1 in China, 2002, under budget and six weeks ahead of schedule; unit 2 in China, 2003, under budget and four months ahead of schedule; and unit 2 in Romania, on budget and on schedule.

The record is much better than honourable senators on the Conservative side are willing to admit. When Howard Shearer, the President and CEO of Hitachi Canada came before the committee, he said:

First, AECL has sold about nine reactors worldwide, which is a good deal more in recent years than many other major suppliers have sold. It is important to understand that. For example, no new builds have taken place in North America for the last 30 years. AECL kept building; they built in Argentina, Romania, China and Korea. During that period of drought, they certainly continued to build.

Recently, they have been working on activities to promote themselves worldwide. Worldwide nuclear sales are a government business; there is heavy government involvement. It is important to understand that. A government presence is necessary because the customers you are selling to tend to be government.

Dr. Al Driedger, from the Department of Nuclear Medicine at the London Health Sciences Centre, said that AECL has had a lot of successes. He was talking about how AECL had spun off so much economic activity to the private sector. He said:

The accelerator technology was sold off, and we have forgotten it. Food irradiation technology was not going anywhere in Canada; that was sold off. The isotopes were sold off. AECL, at all times, looks like a loser company with not much good in its portfolio, but all of that went into the private sector. AECL, as an incubator, served many uses.

We hear none of that in the rhetoric from Conservative senators.

I heard Senator LeBreton talking this evening about why AECL is bleeding taxpayers' money. Honourable senators, AECL was set up and instructed by governments over the years to play certain important public policy roles. AECL set up national labs in Ontario and Manitoba; they are into medical research; they develop cancer therapy machines and produce isotopes. Need I mention that they located heavy water plants in Nova Scotia and Quebec. All of that activity is not to mention

that in 2005, the federal government imposed upon AECL the responsibility for decommissioning and waste management, which has put a \$2.9 billion provision on their books.

Some of this activity relates to federal government facilities dating back to the Cold War. AECL takes waste for safe storage from universities, medical facilities, government and industry across Canada. It produces medical isotopes and engages in research and development in the nuclear industry. All these nuclear wastes are now the responsibility, on behalf of the government, of AECL. The government has visited this public policy role upon AECL.

The Hon. the Speaker *pro tempore*: Honourable senators, Senator Murray's time is up.

Are you asking for more time, Senator Murray?

Senator Murray: Yes, even less than five minutes, if I may.

Senator Comeau: Agreed.

Senator Murray: Honourable senators, when people read the provisions of this bill that give carte blanche to the Governor-in-Council to dispose of any part or all of AECL in any way they see fit, and when people hear the rhetoric from ministers and honourable senators, it is no wonder they are concerned. If this bill passes, we are giving to the cabinet the power of life and death over AECL and, with it, the Canadian nuclear industry.

As I mentioned at committee, when we have taken other companies private — Air Canada, Eldorado, CN Rail and Petro-Canada — Parliament has imposed conditions. In some cases, we have limited the proportion of individual shareholdings that can be held. We have limited the proportion of shares that can be held by foreigners. We have told them where to locate their headquarters. We even legislated where they had to keep their maintenance bases. We have imposed the Official Languages Act on them in some cases.

We do not suggest anything of the kind in the case of AECL. All we are asking is that, if these amendments are passed and the government has to reconsider, the government give consideration to the kind of amendment that I proposed and that was defeated at the committee, so that before any cabinet decision or agreement is consummated, Parliament will have an opportunity to vote it down.

I believe that this amendment is the minimum that Canadians have a right to expect of their government and Parliament regarding the disposition of the great national asset that AECL is and of a nuclear industry that holds unparalleled promise for the future.

Some Hon. Senators: Hear, hear!

Senator Tkachuk: Was it legislation or a decision of cabinet that merged Eldorado Nuclear, a Crown corporation, with Saskatchewan Mining Development Corporation, SMDC, to form the highly successful Cameco Corporation?

Senator Murray: I do not have in this pile of paper the bill that Parliament passed with regard to Eldorado.

• (2010)

Senator Gerstein raised the question of Eldorado at the committee early in our deliberations. My memory was not as sharp as I had hoped, so I went back to my files and dug out the 1987 or 1988 files. Parliament did have to legislate. Of course, what Parliament did then, as they are doing here, is to give certain powers to the cabinet with regard to the future of Eldorado, but we attached conditions, including that the new company would continue to have its headquarters in the province of Saskatchewan.

Senator Tkachuk: That is right, but that decision was a decision of cabinet first, and then legislation was passed to effect the privatization.

Senator Murray: The legislation came from cabinet, and Parliament passed the legislation.

Senator Tkachuk: That is right.

Senator Murray: It is called the legislative process, as I think the honourable senator is aware.

Hon. Michael Duffy: I am interested in the honourable senator's comments on the recent decision by the Liberal government of New Brunswick to turn to a French firm rather than stay with AECL.

Senator Murray: I am not sure how firm that decision is, or to what extent it is an attempt by the government of New Brunswick to sock it to the federal government and to AECL, and to obtain the best possible deal, ultimately. I should not speculate, but I have seen informed reports to the effect that the AREVA connection is going nowhere in terms of New Brunswick.

[Translation]

Hon. Céline Hervieux-Payette: Honourable senators, I must first tell you that I received a warm welcome from my colleagues on the Standing Senate Committee on National Finance. I would like to thank them for their patience. It was a pleasure working with them, notably on the two files that I would like to discuss briefly.

The first is the issue of credit unions that have become banks.

As Deputy Chair of the Standing Senate Committee on Banking, Trade and Commerce, I can say that we would certainly have liked to have studied the 128 pages in this section that were part of the bill's 900 pages.

I would also like to mention that there was no consultation in Quebec before this bill was introduced. While Quebec's Desjardins Group might not be upset about this, I think that all of the players should have been consulted, out of respect for the public. It is not simply about one institution; it is about a major player in Quebec. Small groups in certain parts of the country were the only ones consulted, and parliamentarians from Quebec did not hear anything about this bill before it was introduced.

My main criticism has to do with the fact that there were no consultations, and also, as my colleague mentioned, that perhaps another financial instrument has been created that does not necessarily meet the current needs of the industry.

I remind senators that the objective of a cooperative movement is the community; it is about having good financial advice close to home. A Canadian institution that can operate across the country, a near bank, is rather far from embodying the spirit of cooperatives. I simply regret that legislative procedure was not respected.

The other section I worked on with my colleagues was that dealing with Atomic Energy of Canada Limited. I still wonder why the government is ordering public opinion polls at a cost of over \$100,000. An in-depth poll was conducted last summer, in 2009, which showed that three out of four Canadians wanted this corporation to remain a Crown corporation because it has served Canadians well for 50 years. Similarly, seven out of ten Canadians did not want it to be privatized. In addition, seven Canadians out of ten were worried about what kinds of safety measures a private company would have. They are quite right, because even if nuclear energy were to become more popular again, we could not forget the two tragic events at Three Mile Island and Chernobyl that cooled down political leaders, especially in OECD countries. We all saw the consequences and will remember these disasters.

Although Canada has continued to work in this field, certainly not at the same pace, we must remember that Canada is the world's largest supplier of uranium, the raw material used in nuclear reactors. Canadian technology uses natural uranium, while most other technologies use enriched uranium, which can be more of a threat to national security.

I would just like to read from the testimony of a professor from the École Polytechnique; he is more qualified than I am. Professor Guy Marleau, director of the Institut de Génie Nucléaire at the École Polytechnique in Montreal, recipient of the W.B. Lewis medal from the Canadian Nuclear Society, told us he has done physics research on reactors for 27 years. I think he knows the sector quite well. He wanted to enlighten us.

We received the top men of science — for there are more men in this field than women — and I would like to take this opportunity to thank all the witnesses who appeared before the committee and dropped their summer plans in order to speak to us. I must say that my colleagues and I greatly appreciated their presentations.

We learned that Atomic Energy of Canada Limited won a Nobel Prize for its research in nuclear science. It is a cutting-edge industry that is recognized worldwide. AECL also created an original technology: the CANDU. This reactor has proven its worth over the past 30 years with a performance factor of 90 per cent — those who know technology know that very few technologies provide that kind of performance — with strength and versatility in the use of different fuels.

We were also told that AECL offers support to the entire Canadian industry — we had representatives from the entire Canadian industry, which involves roughly 70,000 people — in the development of cutting-edge nuclear technologies such as food irradiation, neutron radiography, radioactive material detection and national security, radio isotopes and radiation protection.

We are dealing with an extremely broad field and the research done by Atomic Energy of Canada Limited is valuable to the entire scientific community. In Quebec, we have a laboratory at the École Polytechnique, and there are labs in British Columbia, Manitoba and Ontario as well.

The attitude of our colleagues opposite saddens me. When the operations and business practices of an enterprise are to be restructured, there is no need to discriminate and especially not to make up stories. We must remember, nevertheless, that AECL recorded a deficit one year. That was last year and it was directly related to the refurbishment of the Point Lepreau reactor. Why? Because negotiations are still ongoing and it is not up to the Province of New Brunswick to pay for all the expenses and all the research and development that will be useful for the 25 other similar reactors in the world. Discussions must be held and I agree with Senator Murray when he says that there are probably some discussions and negotiations now that AREVA is involved. I believe that the Point Lepreau nuclear reactor must be started up and that the work must be completed. We should realize that, in Finland, AREVA is currently experiencing delays of one and a half years for similar work, with \$300,000 in overruns as well.

When innovating in this area, adjustments are always required to mesh the design with the reality in the field.

• (2020)

The Conservatives cannot forget about the frigate contracts that were supposed to cost \$300 million at the start and ended up costing \$900 million each. Perhaps changes in the design were ordered.

I would also like to talk about the most embarrassing aspect of this bill. The government is failing to do what any private Canadian company must do when it wants to participate in this type of transaction, that is, sell off all its assets. In sections 409 and 410, The Toronto Stock Exchange states that disclosure is required if there are changes in share ownership that may affect control of the company. Normally the terms of reference are also given and the shareholders must be aware of them.

In the case of AECL, all Canadians are the shareholders, but they do not know the terms of reference in the contracts given to the Rothschild financial advisors. They were not made aware of the terms of reference in the contract given to the National Bank for restructuring. We are in the dark. We do not know the future of this company. They are proposing a bill, asking for a blank cheque, as some senators have said. It is anyone's race. We have no idea what will happen to the company. It could be just about anything because usually, when there is a good plan and we know which direction we are headed in, there is transparency and information is simply made available. In the case of public companies that are listed on the Toronto Stock Exchange, the important information about prices, share costs, the number of shares to be traded, the terms and conditions and when it is all to happen — all of that should be made public. It is obligatory under stock exchange rules. So why does the Canadian government not have the decency to follow the same rules for a company as large as AECL?

I want to emphasize that this industry is made up of 165 Canadian companies. We are not talking about a small number of industries that are affected and that were not

consulted. If this bill had been divided, as was the case with Petro-Canada, Air Canada and other companies, we could have heard from people whose daily lives were directly affected, and they could have told us how to proceed to best serve the interests of their industry, and how everyone could contribute.

I support the report of the Standing Senate Committee on National Finance. By removing Part 18, we are telling the government: do your homework, hold public hearings and consult the industry. As parliamentarians, we must take action, because this is an important asset. Let us stop telling fairy tales about the alleged \$8 billion invested over 60 years. Whether it is \$8 billion or \$16 billion discounted dollars, this money brought in \$160 billion in tax revenue from employees working in this sector and from businesses that paid taxes during the entire period. We are far from a deficit here. There was just one year in the last five when AECL did not earn a profit. The Rothschild report shows that 2009 was the only year AECL did not make a profit.

When the Minister of Natural Resources, Mr. Paradis, was asked about the objective of the bill that he is responsible for, he replied that only the business side of AECL was at issue for the time being. What is the business side of Atomic Energy of Canada Limited? It is the construction and refurbishment of nuclear reactors. The research and development arm the production of isotopes and the management of nuclear waste remain the responsibility of the government.

We must also consider the matter of risk transfer. We must stop propagating myths. It is difficult to know, for example, whether British Petroleum, a multinational that is much larger than AECL, will be able to survive after spending \$3 billion without managing to staunch the flow of oil. If we were to have a Chernobyl tomorrow, no private corporation could survive. Those in the financial sector — I am referring to the syndicates that appeared before us—are prepared to invest in this corporation as long as the government is a partner and does not allow the company to be resold after being sold in part to the private sector, as long as there is a public-private partnership where some elements of the transaction would restrict the new corporation from divesting itself of all activities, and especially if an agreement were in place. All witnesses agreed that the Prime Minister had to be the lead salesman. I agree that the restructuring should be transparent and specific and that the details should be known to everyone.

Honourable senators, may I have a few more minutes?

Hon. Senators: Agreed.

Senator Hervieux-Payette: I would like to close by saying that we have not been as generous to research and development in the nuclear industry as we have been to research and development in other sources of energy such as the oil sands. As far as the discovery of oil off Newfoundland is concerned, we are talking about tens of billions of dollars invested by Canadians.

We are all proud of that. We have also seen money invested in developing technologies for the oil sands project and still today we are granting subsidies to the oil industry.

The government's continuing activity in research and development in the nuclear industry would serve the interests of all Canadians. In Quebec, Hydro-Québec has agreed to spend

hundreds of millions of dollars on reconditioning a nuclear reactor, while 50 per cent of Ontario's electricity comes from nuclear reactors. I am certainly not in a conflict of interest. In Quebec, we are much more involved in hydroelectricity than in nuclear energy, but as a Canadian citizen and the mother of a daughter who is an engineering physicist, I am standing up for our young people, for jobs of the future that will help our young people excel throughout the world. That is why I support my colleague's report. I want to thank all senators for the excellent work they have done on the rest of this legislation which, unfortunately from a budgetary point of view, probably had some good qualities, but became flawed with the introduction of a potpourri of legislation that had no business being there. It is a shame that our job as parliamentarians does not get the respect it deserves from the government.

• (2030)

[English]

Hon. Anne C. Cools: Honourable senators, I rise to support the sixth report of the National Finance Committee on Bill C-9, An Act to implement provisions of the budget tabled in Parliament on March 4, 2010, and other measures.

Much has been said and, as I have been sitting here listening, I have more or less changed the character of what I originally intended to say. I would like to begin by saying that, very clearly, Bill C-9 is an excess. The only terms I can think of are that it is an expression of political and parliamentary gluttony — too much. “Gluttony” is the only word I can think of.

Honourable senators, I have not seen anyone pick up this bill yet. This is Bill C-9 in my hand; 883 pages, 24 parts, 2,208 clauses and it weighs over 3.5 pounds. Bill C-9 is not even readable. I am a reader and this is not even readable. One cannot sit and read it for hours, as I sit and read for hours at a time. One cannot do so with this. It is simply unwieldy. It is too bad we do not have a visual image to show it. Let us understand what is happening here. As I said before, the magnitude and the size of the bill are unprecedented.

Honourable senators, I want to thank my colleagues who worked on the committee, particularly the chair, Senator Day, the deputy chair, Senator Gerstein, and the other members, Senator Ringuette and especially Senator Murray for his action and his activities on this bill. I would like to say, as I said before, that I support them.

In my few remarks, I want to go to the notion that this government should perhaps review how it approaches the passage of legislation and perhaps it should begin to see the houses less as voting machines and more as human beings who should be accommodated. I thought to make that point I could read a statement from John George Bourinot, from his book in 1901, which was called *A Manual of the Constitutional History of Canada*. Talking about ministers and the rules of Parliament and the relationship thereon, Mr. Bourinot wrote:

The rules of parliament are framed for the special purpose of giving every opportunity to the house itself to consider a measure and amend it at various stages.

I would like to read that again:

The rules of parliament are framed for the special purpose of giving every opportunity to the house itself to consider a measure and amend it at various stages. Ministers should always be ready to adopt such amendments as are compatible with the general principles of the measure, and should they feel compelled to recede from any position which they have taken, it is a proper concession to the superior —

Senator Fraser: Honourable senators, I have a point of order. There are so many conversations going on that I cannot hear Senator Cools. I wonder if His Honour might remind senators.

The Hon. the Speaker: I thank the honourable senator for raising the matter. I would invite all honourable senators to conduct private conversations in the Reading Room.

Senator Cools: Honourable senators, I hope this is not deducted in the arithmetic of my time. I will start over.

John George Bourinot, from his book *A Manual of the Constitutional History of Canada*, published in 1901:

The rules of parliament are framed for the special purpose of giving every opportunity to the house itself to consider a measure and amend it at various stages. Ministers should always be ready to adopt such amendments as are compatible with the general principles of the measure, and should they feel compelled to recede from any position which they have taken, it is a proper concession to the superior wisdom of a deliberative body, and no confession necessarily that they have lost the confidence of the legislature.

Honourable senators, perhaps I should remind colleagues that the purposes of all the rules are to facilitate debate and dialogue and, if necessary, to facilitate accommodation.

Honourable senators, earlier in his text, John George Bourinot said, writing about ministers:

Having submitted a measure to the consideration of parliament, they should be ready to perfect it by the assistance of the houses.

Honourable senators, I thought I could use my few moments to put that on the record. The purpose of both houses is to come to accommodation, particularly in instances when the division of opinion is as close and the margins as narrow as they are here. Instead of going through the parts of the bill that I thought were deeply flawed, I thought I could render a better service by making some statements so that we can better understand how these systems are supposed to work. They are supposed to work with a high degree of cooperation and debate.

Honourable senators, in looking to support this concept, I spent some time on the weekend reading. I looked to some of the old masters: Robert Peel, Lord John Russell and others. I

found this in a debate on March 29, 1845 in the U.K. House of Commons. It was a tough debate with Lord John Russell saying:

I do not think it will be for the advantage of the country, if a Government is to consider itself bound to carry every Measure in this House exactly in the shape they propose it.

Honourable senators, I put that to you. He continued a few lines later, and he talked about the disposition to take the counsel of the house:

But with respect to these large questions of legislation, affecting the whole body of the people, of whose feelings many Members from the places they represent must be cognizant, I do hope that this House is to retain some of its legislative authority, and that the Members are not merely to vote as puppets, according to their party purposes or opinions.

Honourable senators, there is much authority for the position that amendments are desirable and that governments really lose nothing when they concede and give way for some amendments. I wanted to put that on the record. It is crystal clear that this bill has some serious problems, and it is wrong for us to pass a bill knowing that it is seriously flawed. I appeal to all colleagues in this house to understand that it is wrong to wilfully vote on a bill knowing it is not as perfect or as good as it should be and that it is insufficient. There is no righteousness in upholding insufficiency.

Honourable senators, I would like to answer those individuals, and I do not think I heard it mentioned in this debate but I heard a lot of it elsewhere. I wanted to take issue with the suggestions and the assertions of some that somehow or other in amending a bill, particularly this bill, the senators and the Senate are acting improperly or in an undesirable way. I wish to say that such assertions and such suggestions are unfounded and, quite frankly, wrong. I wanted to lay out the fact that in the British North America Act, 1867, the Fathers of Confederation intended a strong role for the Senate in financial matters, an extremely strong role. As a matter of fact, it was a different role than was intended by the House of Lords in these matters.

• (2040)

The fact is, honourable senators, that the Senate has amended and defeated in the past many so-called financial bills, money bills, and even budget implementation bills, as Senator Murray spoke about his bill, Bill C-93, which was defeated in 1993. I remember it well because I helped Senator Finlay MacDonald to defeat it. I have a good recollection of the matter. There are records, many records of Senate amendments to bills. It is quite in order. It is the proper exercise of the Senate's proper constitutional role to amend bills.

Honourable senators, let us come to this business about elections and all this nonsense. First, defeats do not trigger elections. Defeats in the House of Commons do not trigger elections. They are supposed to trigger prime ministers' resignations but not elections. Elections are an exception from the resignation, but that is for another day. I am speaking of the phenomenon of the Senate's powers to amend or reject bills. The

sole and the singular limitation on the Senate's power to reject or amend a bill, the sole one, is section 53 of the BNA Act, 1867, which reads:

Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

That, honourable senators, is no accident. This was a deliberate action on the part of the Fathers of Confederation. At the time of putting the Confederation contract, compact together, these matters were fully canvassed. Honourable senators, we know that in 1864, as Canada was moving into Confederation, in the U.K. they were moving towards clipping the powers or limiting the powers of the House of Lords in respect of what they were to call "money bills." The term is not particularly helpful or useful in Canada.

To limit those powers, honourable senators, means that Canada — we saw this at Confederation — accepted a resolution of the U.K. House of Commons in 1661, which asserted "that no Bill ought to begin in the Lords House which lays any charge or tax upon the Commons." The house accepted that resolution, and that is now the BNA Act, 1867, section 53; but, honourable senators, they rejected the other two resolutions, 1671 and particularly the 1678 resolution of the House of Commons, which said:

That all aids and supplies and aids to His Majesty in Parliament are the sole gift of the Commons and that all Bills for the granting of any such aids and supplies ought to begin with the Commons and that it is the undoubted and sole right of the Commons to direct, limit and appoint in such Bills the ends purposes consideration conditions limitations and qualifications of such grants which ought not to be changed or altered by the House of Lords.

Honourable senators will find that articulated in Standing Order 80 of the House of Commons, which quotes the first part of that resolution and then says that such bills are unalterable by the Senate. Year after year, debate after debate, senators repudiate this. We reject it again and again.

I wanted to say, honourable senators, in closing, that the senators have acted properly on Bill C-9. There is nothing much at stake here but a little bit of inconvenience. I would like to appeal to the new senators to take themselves seriously and to understand that by the commission that they have framed on their walls, Her Majesty expects each and every senator to apply his or her intelligence and does not expect senators to be robots.

Honourable senators, I am not suggesting that anyone here is a robot. What I am saying is that there is an opinion out there that somehow, if the House of Commons passes a bill, the Senate should not touch it. That is the opinion that I repudiate and that is the opinion that I am prepared to stand here and to say that it is an inaccurate opinion, it is the wrong opinion and it is an opinion that is not warranted by the BNA Act, 1867 or by the Constitution of Canada.

Honourable senators, I wanted to say that and perhaps to lay out one or two of the basic principles. The Fathers of Confederation of this country intended the Senate and the senators to have a high power in matters of financial legislation,

especially when those matters touch on particular provincial interests.

In any event, honourable senators, I have spoken long enough. There is not anyone here who would stand up and wave a flag saying that this is a perfect bill and I am not comfortable saying it is a perfect bill. The evidence is clear that this bill has a lot that is wrong with it, and there is something wrong, honourable senators, with handing over AECL to the Governor-in-Council, to the cabinet, just like that. I am only asking us to think about the *raison d'être* and the reason we are here. That is all I am asking. Let us think about it.

I thank honourable senators for their attention. I thank Senator Comeau for his endurance. It is hard on leaders, especially deputy leaders, to have to keep all of this together. I thank Senator Cowan. I especially thank Senator Murray. Senator Murray and I had big fights during the GST, but we have become fast and good friends. Senator Murray has another year or so, or less, I am not sure, in this place. I encourage him to share with senators that wonderful fount of knowledge that he has on the working of government and on the working of the Constitution. Know that most senators here have great respect for him. Even when they disagree with him, they still have great respect for him.

Having said that, honourable senators, as I said before, I support the report with the amendments. I thought it was better to speak about first principles. No government loses any face by accepting some amendments to a bill.

The Hon. the Speaker *pro tempore*: Is there continuing debate?

Hon. Elaine McCoy: Honourable senators, first, I want to acknowledge what I have called elsewhere the yeoman's job of all members of the National Finance Committee. I do not think there is a call to single out any one side in this case. The committee is totally non-partisan. All members of the National Finance Committee had a tremendous, long stint at slogging through some 2,208 clauses in this bill. We can be proud of them all and I encourage everyone here to give them a round of applause right now.

I also think they brought in excellent recommendations. They defeated four parts with good cause. When I attended the committee, I was following one part because of the environmental implications, which is a special interest of mine. Had I been a voting member of the committee, I would have spoken in favour of defeating Part 20, the amendments to the Canadian Environmental Assessment Act.

More than 15 years ago now, I was vice-president of the Macleod Institute. I became president of the institute for 10 years. We conducted a study that I co-authored about duplication of environmental assessments across Canada, most particularly in the West, where we were located, in Alberta. We went out and interviewed I do not know how many people. I want to say 60 or so. We included representatives of several kinds of industry. We wanted to talk to the ENGOs — the environmental non-governmental organizations — to academics and to regulators, and we did.

• (2050)

We came to the conclusion, on the basis of all of that consultation, that there was no duplication, nor was there overlap. Yes, there were problems, but the biggest problem was

delay. The biggest delay came from the federal bureaucrats who dithered and could not make up their minds. They would start with a small study, called a screening, come to the end of that and say, "Gosh, I am not sure" and, bloody hell, they would go on and want to do a bigger study. Then in the end they would want to balloon it up more. It just escalated and you never knew where you stood. The delay cost a lot of money, certainly, and there was a great deal of complaint, but it was not duplication.

In 1997, the House of Commons environment committee came to the very same conclusion. There is no duplication, but there are problems. Six years later, our own Standing Senate Committee on Energy, the Environment and Natural Resources came to a similar conclusion. As Senator Tommy Banks, who was chairing the committee at the time, recently summarized for us, the problem was that everyone is responsible for this legislation — everyone across the whole government is responsible for environmental assessments — but no one is in charge. Consequently, nothing gets done. Again, the delay was just a nuisance and a burden on those who were subjected to the process.

What has been proposed in Part 20, the amendment to the Canadian Environmental Assessment Act, the CEAA, is, instead of having all those decision makers, they will just boil it down to three. It will be the NEB for some and the Canadian Nuclear Safety Commission for some and there will be the Canadian Environmental Assessment Agency for all the others. When I was reading these amendments, I was saying, "Yes, they are finally getting there after all these years. We are getting somewhere closer."

The witness from Ecojustice said the same thing: This is good. The Mining Association of Canada agreed that this is good. We all agree with this measure.

Let me quote to you from the transcript. This is the witness from the Mining Association of Canada. She said:

For 19 years we were promised: One project, one assessment.

She said we still are not there.

A little later, she said:

... there were so many promises, and they did not come to fruition ...

Then she said:

But I will not bet the farm that these will give it to us, either.

What is wrong with Part 20? Some amendments go too far and others do not go far enough. The ones regarding the CEAA do not go far enough. Here is the first problem. I went back to the powers that the agency is given in its own act — it only has powers that it is given in the act — and I could not find a power for it to take on the kind of role that it is being given it.

Witnesses did not bring this up. I had an independent lawyer look at this and, again, right at first blush, it is quite possible the agency does not have the authority or the power to do what is being asked of it.

Second, the agency has not been given any duty to start a comprehensive study at the same time as a province. That is the very problem they say they are trying to solve. There is no time line, no duty and no obligation on the agency to be taking action. As was admitted at committee, all that has been given is discretion.

Third, the agency does not have the obligation to coordinate with provinces. There is a clause in the act now that says it "may." What would have helped considerably was to change "may" to "shall." Then the agency might get somewhere.

One of the things we have all been requesting for quite a long time — and Senator Neufeld has been one of its ablest advocates — and we always backed him when he asked for this during his time here — is if there is a piece of the provincial environmental assessment that matches what the federal government must do, it be used as a federal agency assessment, an equivalency. What could be better than that? Not only has that not been given here, but no obligation on the agency has been imposed to collaborate with the province.

The fourth thing is not the legislation. The fourth thing is this: We now have an environment czar in the CEA Agency, and of course that means it will have extended activities. We asked about its finances. We were told that it was given more. I looked at their own forecast of financial arrangements, and very clearly the minister said, two or three months ago, that they will cut the budget by a third two years from now.

What kind of commitment do we have? We have an agency that may not have the power, we have an agency that has no obligation, and we will have an agency that does not have enough money to carry out what little discretion it is being given. That, to me, is legislation that has not gone far enough. That reminds me of saying to a little boy; "It's okay, you can have a cookie anytime you want; you do not have to ask ever again; you go ahead and you can just nibble away to your heart's content." However, you then put the cookie jar up on a high shelf in a room that has no ladder to climb up, no chair on which to stand, not even a pile of books that he might be able to crawl up to reach the cookies. You have said; "Yes, you can have cookies, little boy," but then make it absolutely impossible to carry through on that permission.

The cookie jar is missing in this legislation. It is not easy legislation, it needs to be properly refined, and it should be given the time and consideration to make this long-standing federal promise a reality. I had hoped that this time around I would be able to stand and support an initiative of this government to bring about what we have all been requesting for so long. I must admit, I have been disappointed yet again.

There are other problems, and there will be others, I am sure, who will speak to them. The other problem with the proposed amendments is they go too far. The first lot that I mentioned do not go far enough, and these go too far.

The first one is the scoping power of the minister which has been extended to where he or she can say that the project is not as big as proposed, the effect of which will ripple throughout the legislation. It could simply be, to the extent it is possible, another way of eliminating environmental assessments of any consequence at all. I disagree with that provision as a matter of course.

Before we talk about tree huggers or overly conscientious environmentalists, let me point out why this is so significant. This is, in fact, an economic issue. The reason is that the standards of the marketplace are changing.

• (2100)

Honourable senators, a few weeks ago, I made a statement in this chamber about the forest industry and the agreement it had come to with environmental organizations called the Canadian Boreal Forest Agreement. For the last decade, the forest companies have been losing sales because the environmental activists have been convincing people like RONA and Home Depot, or goodness knows how many other retail outlets, not to buy lumber if the environmental practices of the logging companies and the forest companies were below par.

We then had the ghastly Softwood Lumber Agreement. That agreement has made it difficult for the forest industry to make money, so they finally faced the situation and came to an agreement with the ENGOs, environmental non-government organizations, who agreed to stop the boycott of their products. It is beginning to bite close to home for Albertans. Although they promised not to boycott the forest products, these environmentalists are now off to play with the oil sands. They have already convinced some of the retailers in the United States not to buy refined petroleum products that originate in the oil sands. Not only that, they have also convinced 50 congressmen in the House of Representatives to sign a letter and send it to their Secretary of State, Hillary Clinton, to not give permission to an oil and gas pipeline into the northeast states because they believe that the environmental practices of the companies upstream are below standard.

Honourable senators, if these types of boycotts become as effective in the oil and gas industry, particularly around the oil sands products, as they were for the forest companies, this will be a major economic issue. In my opinion, the government does not help by fuelling the argument of environmentalists by lowering the standard of environmental assessment in Canada.

The government in Alberta paid just over \$55,000 to print a letter in *The Washington Post* telling the House of Representatives that they should believe us. Trust me, they will not believe us, and one can put as many ads or open letters in the newspaper as one likes; we will not convince them that way. The only thing that will convince them is actually increasing the practices to meet the international standards.

I request five more minutes.

Senator Comeau: Five minutes.

The Hon. the Speaker *pro tempore*: Five more minutes. Please continue.

Senator McCoy: Honourable senators, we need a federal government that supports our industry by allowing them to stand up, allowing the Mining Association of Canada to stand up, and say in the international forum, "We have environmental practices that are as good a standard as anywhere in the world." They will not be able to say that if we go too far down this path.

Honourable senators I wish to comment on one final part of the bill and that is the proposed changes to public consultation. Honourable senators, I used to lead teams doing peer reviews of environmental assessments. That is, I would get a team of scientists and practitioners, and we would go through environmental assessments and comment on them. Sometimes our client was the government; sometimes it was an industry member; sometimes it was an environmental non-governmental organization. We became accustomed to the leading practices; in fact, we wrote papers on that topic.

One thing that is acclaimed internationally as the *sine qua non* is that while there may be three or four essential things in an environmental assessment, the integral one is public consultation about what will be included in the environmental assessment, the scope. This particular amendment takes that out. Other language is put in, but it is far more restrictive and discretionary. Again, it depends on the goodwill of the agency involved.

That is a decrease in the standard of practice that this legislation is introducing. That is something we cannot afford, if for no other reason than our major mining, forest and energy industries, to name just a few, are facing these issues in the international market. We cannot abandon them to criticism that could all too well be justified.

Honourable senators, I support the report of the National Finance Committee. I thank the members, the chair in particular, for their courtesy in including me and allowing me to participate although I did not have a vote, not being a member. I urge upon senators sober second thought and ask all to support the committee's thoughtful recommendations to this chamber.

Hon. Wilfred P. Moore: Honourable senators, I wish to participate in this debate at report stage with regard to Part 2, the amendments in respect of excise duties and sales in excise taxes. In particular, honourable senators, I refer to proposed amendment 55(6) on page 32. I want to talk about four aspects of it: the lack of public consultation, the discriminatory results of the legislation, the unclear nature of the definition of the "financial service" phrase and the repugnant retroactivity clause.

Honourable senators, with regard to the matter of public input, it is useful to know that the Canadian Bar Association, National Commodity Tax, Custom and Trades Section, has issued a letter before our committee saying:

The government has departed from its historic practice by tabling these tax measures in Parliament without consulting on the proposals in draft legislative form. . . .

The CBA Commodity Tax Section is of the view that the GST measures, as currently drafted, are so seriously flawed that they should be struck from Bill C-9 to allow for the necessary consultations. . . . to arrive at more satisfactory resolutions. . . .

We heard that from the Canadian Bar Association. We heard a similar thing from the GST Leaders' Forum, honourable senators. The forum, in its remarks, dealt with the matter of the lack of clarity. There is a letter tabled before the committee, and this deals with the matter of this clause of the bill and the clarity or lack thereof of the "financial service" phrase. It is reported there. In the letter they cite the Minister of Finance himself suggesting that the proposed amendments were badly worded. He was quoted saying that in an article in *The Globe and Mail* on March 26 of this year.

Honourable senators, there were ensuing documents tabled by the Department of Finance and the Canada Revenue Agency. Two documents were issued to try to clarify the situation and clarify who was to be considered a financial service and who would be impacted by this legislation.

• (2110)

There was a revised Notice 250, which was issued by the Department of Finance, and then there was a policy statement, P-239, issued by the Canada Revenue Agency. Those documents were looked at and were thought to clarify the situation, and they were also looked at closely by the CBA and the GST Leaders' Forum. They concluded that the matter is not clear and that there is no clear position as to who is taxable and who is not taxable under that definition.

Honourable senators, it is interesting that these two organizations asked to have input and did not get it. They are against including this clause in this bill, for clear reasons.

Another area of great concern is that one class of Canadian taxpayers is treated one way and another class of taxpayers is treated another way under this law. If the CRA thought a taxpayer should pay GST and the taxpayer contested it in the courts, as a result of where we are today — and I do not know how to describe the situation that we are in, because it is not clear — if the taxpayer contested legally the imposition of tax on their business, and the department said, you do not have to pay tax, if the taxpayer did not pay the tax, then that taxpayer is subject to taxation. Taxpayers are treated differently under the same law.

Moreover, honourable senators — and this is important — the resulting tax collection could be as much as \$2 billion. This retroactivity goes back to the commencement of GST, passed in 1990 and effective in 1991. There will be a lot of Canadians who will have a surprise visit from the CRA.

To date, the CRA says that it has received claims for \$100 million. CRA has received claims, but they have not paid out the money, and who knows if they will.

The remarks of the witness from the Department of Finance, the policy chair, were interesting. He said the CRA's notice "ought to reasonably address the concerns." He is not definitive. The Minister of Finance is not definitive. The two leading organizations who follow this issue and who have the opportunity

to make great input nationally, the Canadian Bar Association and the GST Leaders' Forum, are equally perplexed and can see this legislation leading to discrimination and improper collection of taxes.

Honourable senators, with regard to the retroactivity, Senator Murray mentioned earlier today the Quebec school bus case. I believe that at the time the honourable senator was chair of the Standing Senate Committee on National Finance, and I was a serving member on the committee. That bill was a Liberal bill that was brought in and passed. I spoke out against that bill then, and I voted against it. I think it is wrong. Here we are, in 2010, talking about going back to 1991.

I think this type of law is bad law. I do not believe we should move the goalposts after the game is under way. I think we can do better as legislators in this chamber. I do not think anyone in this chamber would want this type of situation forced upon them as business people, and it could happen.

Honourable senators, for all these reasons, I am in support of the report of the committee in its amended form, and I ask that honourable senators opposite consider this report, because the legislation is important. It is one little section, a few more words than the 20 words of the Canada Post section, but it is important. It sets a dangerous precedent if we go ahead and let this bill pass.

Hon. Mobina S. B. Jaffer: Honourable senators, I rise today to speak on Bill C-9. I want to thank Senator Day, Senator Gerstein, Senator Murray and all the members of the Standing Senate Committee on National Finance for the work they have done. I want to thank them for their dedication and for their work on our behalf.

In 1994, Prime Minister Harper complained about a previous Liberal government's omnibus bill that stuffed different bits of government business into one piece of overstuffed legislation, in an effort to tie up loose ends. This old Liberal bill was 21 pages long. Bill C-9, on the other hand, is 880 pages long and contains 2,200 clauses. I believe, as do other honourable senators, that Bill C-9 should have been split and the additional bills stuffed into the budget bill separated out.

Honourable senators, I am concerned that many parts of this bill have not even been studied by the Standing Senate Committee on National Finance. Last week, Naseer (Irfan) Syed, a lawyer from Toronto who specializes in the field of money laundering, was asked by the committee to offer testimony on the proceeds of crime. Unfortunately, shortly after arriving at the committee meeting, he was informed that the committee would not have time to hear him speak.

Mr. Syed's testimony was to focus on Part 14 of Bill C-9, a section that addresses the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. Unfortunately, neither in the House of Commons nor in the Senate has this particular section of the bill been critically discussed.

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act has had, for several years now, an unintended negative impact on many individuals, businesses and organizations. The financial institutions seeking to comply with

their obligations under the existing Proceeds of Crime (Money Laundering) and Terrorist Financing Act are often exercising due diligence in a haphazard and patently unfair manner, for which reasonable and effective avenues for appeal and review do not exist.

The proposed changes contain provisions with many vague and insufficiently defined terms, which may create additional apprehension among financial institutions to deal with certain clients, and may effectively deny these clients banking services.

Therefore, these proposed changes will affect adversely tens of thousands of Canadians, as well as thousands of people overseas relying on remittances. The proposed changes provide substantial new powers and discretion to the Minister of Finance to issue directives to financial institutions for which there appears to be inadequate parliamentary oversight. We have not acknowledged this fact in either the House of Commons or the Senate.

Honourable senators, Part 14 of Bill C-9 should have been split into separate legislation to allow a more thorough examination both of how the current regulatory regime is impacting various people and how the proposed amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act may exacerbate existing problems without sufficient mechanisms for redress.

Bill C-9 is a piece of legislation that would have kept us busy for at least one year, as it includes everything but the kitchen sink. I do not support this bill, as all the acts affected by Bill C-9 have not been studied by us, and I urge honourable senators not to support this bill.

Hon. George Baker: Honourable senators, with regard to Senator Moore's speech, I attended that portion of the meeting of the Standing Senate Committee on National Finance and I was shocked by the testimony from the Canada Revenue Agency. The large financial interests who did not collect the tax or pay the tax to government will not have to pay the tax now; it is forgiven. With regard to the hundreds of millions of dollars that are at stake, Revenue Canada readily admits that they told people that they must pay the tax under certain conditions. People paid the taxes. Some large companies and people well off enough to hire tax lawyers challenged the rulings from Revenue Canada, and they were successful.

• (2120)

Upon hearing that those organizations and companies were successful, smaller business interests asked their accountants and lawyers to look at those court rulings. They said that the Tax Court of Canada said that they were not supposed to be paying those taxes and asked why the chartered accountants were saying that they had to pay those taxes. They said that they would change their chartered accountants.

That was the evidence. Revenue Canada said that \$100 million of claims came in. What is Revenue Canada's solution to the problem? There is only one redress. When you appeal your taxes, you submit your form to your regional office. Under the Income Tax Act, you have the right to ask for a reassessment. You must ask for that reassessment, however, within certain time constraints.

You will recall the fairness legislation that we passed. There is a famous Federal Court of Appeal case called *Lanno v. Canada (Customs and Revenue Agency)* which said that the fairness provisions can be used by someone who did not appeal the payment of taxes and ask for a reassessment within the two-year window. However, the Federal Court cannot overrule a decision of the minister. The minister is referred to as an official of the department. There are two levels of appeal. If you go to the second level of appeal and the ruling is against you, you must appeal to the Federal Court within 30 days, and that is what all those people did. All those small business people appealed their decisions.

Officials from Revenue Canada appeared before the committee — and Senator Moore will bear this out — and said that they are doing this so that people cannot take advantage of court rulings. Therefore, we have retroactive tax legislation, not to help people who are appealing taxes that they should not have paid, but letting off the big guys in whose favour the court ruled. Think about that, honourable senators.

The Supreme Court of Canada dealt with the legislation that would allow retroactive taxation. The case is called *Kingstreet*. A group of bars called Kingstreet Investments Ltd. in Fredericton, New Brunswick, contested the payment of liquor levies. They said it was ultra vires the province in that the province did not have authority to administer what was called excise tax at the time, but all provinces did it. The Supreme Court of Canada ruled that the provinces can enact retroactive legislation because it would seriously infringe upon the financial stability of the provinces if they had to pay back money paid over the 20 years since the institution of that tax.

However, the Supreme Court of Canada said that only in exceptional circumstance of emergency where the financial integrity of a province was concerned could you retroactively impose a tax. Well, this does not infringe the financial integrity of the federal government.

We praised those two officials at the end of the meeting. We said that they did a marvellous job under very difficult circumstances. I knew what they were talking about from my own knowledge of the way the system works. The Federal Court rules are very thick, as the committee chairman knows. An ordinary individual has the right to appeal federal rulings of boards, tribunals, agencies and federal ministers only to the Federal Court. You cannot go anywhere else. The Federal Court has exclusive jurisdiction and their rules are extremely complicated.

All of these appeals are against the Attorney General of Canada. The Attorney General has a team of smart lawyers who are moving endless motions to strike while an individual with a small business is trying to get justice after having paid improperly levied taxes. Now we are bringing in legislation to retroactively forgive the big guys and to tell the little guys that all of their appeals are of no standing. Immediately upon the passage of the bill, all of the appeals for the \$100 million are finished, because it is a retroactive application of the law.

Senator Moore did a marvellous job, as did everyone else on that committee. I commend him for his interest in the bill and for the digging that he did.

Hon. Grant Mitchell: Honourable senators, I, too, am happy to have the chance to participate in this debate. I echo what has been said about the excellent work done at committee by Senator Day and Senator Gerstein. I have had a number of experiences like this while I have been in the Senate where something special needed to be done, where there was a sense of purpose about an important issue and people came together and worked very effectively at a very high level. I hope that I speak for most of us in this house when I say that in all of our careers you do not often have that kind of experience. I appreciate having been part of it.

This all started because many senators on the other side said that we did not need to review this budget bill and should just press it through rather than causing delay and cost to the economy.

• (2130)

Do you know what I noticed day after day, hour after hour? Not too many Conservative senators over there were without ideas, statements or questions that they felt needed to be asked about those bills. I get a competing message here. On the one hand, they are saying we did not need to do it, and, on the other hand, there is lots of participation, good ideas and intensity on the Conservative side of that committee. Thank you very much to that side of the committee for helping us do the job that needed to be done, and I think it has been done very well.

When we started this process, when we started talking about splitting this bill and what was an omnibus tax bill and who out there in the public would know, I thought about how prorogation ignited a huge segment of the Canadian population. Somehow they began to understand this esoteric notion of parliamentary procedure — prorogation. It is also true that Canadians are beginning to understand this esoteric idea of an omnibus bill that somehow can hide things and put them through without people knowing. As a result of our work, Canadians did grow to know this.

In a more general sense, Canadians are also getting the idea and have the capacity to understand, value and appreciate their parliamentary procedure. Across this country, many people are deeply offended by what this omnibus bill meant to the legislative process, about what it means for the future, and about the dangers inherent in government trying to govern by bullying the parliamentary legislative system in a way that it does not deserve to be bullied.

As an example, I received a petition from CUPW in Lethbridge, Alberta. I am sure everyone who signed this petition will be known by our colleague from Lethbridge, Senator Joyce Fairbairn. I cannot present it officially because it was not presented to us quite properly. It was proper but not in the parliamentary procedure sense. I want to read something that all these people said: "All four provisions identified in committee as being inappropriate for inclusion in a budget bill should be considered individually and stand or fall on their individual merits, while the budget should be a budget, not a stalking horse for any odds and sods the government of the day chooses to tack on to a larger, unrelated bill." I do not think it could be said better. They said it very well, and there is a lot of support in this country for that kind of sentiment. Good for them.

Speaking as late in this debate as I am, and as much as this is one of the broadest smorgasbords of delicious issues that you could imagine in a debating process, the issues have been picked over and I will try to not duplicate what has been said. I will try to talk about a few things and a variety of issues and bring them together in a different way and add something to the debate.

A number of issues in here affect small- and medium-sized businesses in a detrimental way, in that they are either exacerbated or the problem is created or the problem certainly is not solved by this bill. I want to single out a few of them just to demonstrate, because I think it is a trend here. The government says it believes so strongly in small- and medium-sized businesses and the private sector and that it does not believe in taxes, that it hates taxes. Actually, when you begin to analyze, as we did for all these weeks, neither of those things are true in the government's actions.

We had a section on Employment Insurance. During our study, it became very apparent, particularly from the small- and medium-sized business association representatives, that the single worst thing that you could do to business out of a number of choices to impede their ability to invest, expand and create jobs is to impose an employee tax. In fact, they referred extensively to the fact that the government is allowing EI premiums to go up over the next five years automatically. They say that is always a bad thing, but it is particularly a bad thing at a time like this when the economy, although it has recovered to some extent, is not recovering with real vigour and intensity. It is recovering in a way that is at least questionable. If it is to recover vigorously, we need to have small- and medium-sized business prepared to hire people, to expand their businesses and to do the research and development that inherently requires people. They are arguing that EI is an employment tax, that it is the worst thing that could be done to business, and this budget allows it to occur.

Senator Day referred to the fact that it appears that certainly the groups we heard from would bear out that the government did not give manufacturers what they wanted, which was an extension of the accelerated capital cost allowance. Instead, they brought in a selective or customs tariff reduction. Clearly the manufacturers would not mind having both, but their preference was absolutely for the capital cost allowance. Business made a very powerful case that not only is this more effective than the customs tariff, but it is actually cheaper than the customs tariff and is less interventionist because every business gets to make the write-offs and the decisions that would allow those write-offs to occur, and it is more broadly based and deeply rooted in the economy. Small- and medium-sized businesses made the point to government that that would be their choice. Government did not come through for business in that way.

Then we have this retroactive GST tax to which Senator Moore alluded. Again, it affects largely small- to medium-sized business and independent financial services professionals. These are people who are broadly spread throughout the economy. They are directly confronted by what is almost unheard of and incomprehensible — a retroactive tax. I said to one of the Conservative senators, "Not only have you figured out how to raise taxes, but you figured out how to raise them for 20 years in the past." That is pretty good for a government whose philosophy says it is deeply implanted in this idea of not wanting to have taxes.

The next item is intriguing. It was supposed to be called the airport travellers security charge, but the minister actually called it what it is, and that is the airport travellers security tax. What is that? It is a fee levied on all airports and air travellers. The government will increase that fee by about 50 per cent, I think. I am sorry, 52 per cent. I did not mean to shortchange it. It will be increased by 52 per cent. There are those who would argue that it is not a tax but a fee and will go to provide security. It is interesting that over one third of it will not go to provide security at all. A third of it will go to general revenues. If you have a levy or a charge that goes to general revenues, it is not a levy or a charge; it is a tax. The fact of the matter is that it has gone up 50 per cent. About \$225 million a year for the next five years will be levied in this tax. It will not go to make air travel safer. It will go to general revenues. The government says it does not like taxes. You can call them whatever you want, but a tax is a tax is a tax, and this is a tax and it has been increased significantly.

Not only that, but Canada will now have the highest international travellers levy in the world — number one in the world.

Senator Cordy: Higher than Tel Aviv?

Senator Mitchell: Absolutely. Maybe it will go to subsidize the \$1.1 billion security for the G20 and G8 summits. Maybe that is what they had to do. I do not know. However, it will be the highest in the world.

One of the senators in the committee was very aggressive, as he can be. He was going at these witnesses and saying, "When you get off the plane, you know that you will be safe." Okay, so we need this tax, but you are not paying it for security. Not only that, but all those countries that are charging less — every last one of them, because they are all lower than us — are they not as safe? When you get on an American airline, is it not as safe? It does not charge as much for the international fee. Is Lufthansa not as safe? Is El Al not as safe? They all charge less, so there is not a direct relationship between what you charge and what you get in security. It has something to do with how you manage it, but I wonder if they call it a tax. I wonder if in those other countries it goes to general revenue or stays in security. I do not know. What I know is that it is very misleading to call it a levy and put it into general revenue.

• (2140)

It does not help Canadian business because as the tourism people said, we have a high dollar, which is hard on tourism. We still have a reaction to terrorism, which is hard on tourism because people, particularly Americans, are not travelling. We have a soft recovery in the recession. The travel industry has been hit on all fronts, and now they will be hit by this increased tax. One of the witnesses said that a 1 per cent increase in the fare for a ticket causes a 1 per cent drop in travellers, and a 1 per cent drop in travellers is a serious matter when it comes to people coming to Canada. In Alberta, tourism is the third largest industry, and it is being diminished by the failure of policies like this.

Then we get to Visa fees. A section in this bill sets up how they will be able to manage Visa, charge and debit cards fees more effectively. What they have said over and over is that it is just a first step and that what they really need is a reduction in the fees. Who is getting the fees now? Big banks are getting the fees. Who

has to pay those fees? Small- and medium-sized businesses have to pay the fees. Why could the government not have done what really mattered, namely, reduce the fees right now? Why would it not do that? What set of interests did the government pick? It has picked big business over small- and medium-sized business. That seems to me to be absolute anathema to the government's fundamental values.

When you add all those things up, this budget is not all that good for small business, creating new jobs, hiring people, et cetera. I wanted to point that out for a different point of view.

Another section that has been alluded to deals with credit unions being made into national banks, which is probably not a bad idea. We certainly all like competition and growth. There is the issue of who then takes care of the smaller local community markets where credit unions have been so important and significant for so many years in the development of communities. That aside, there is probably a strong argument for growing credit unions to go national one way or the other, but here is the rub: The testimony from witnesses was that when a credit union goes national, the liability — that is, the assets held by that credit union — will now come under CDIC, the Canada Deposit Insurance Corporation. It becomes a federal liability. If that bank ever goes down and someone has to pick up and pay off your \$100,000, then that liability is no longer a provincial liability, where the credit union was; it is a federal liability.

I immediately thought that they would transfer the premiums paid by those institutions and the growth on those premiums, which are the insurance funds, to cover that CDIC-like insurance at the provincial level. Do you know what they said? They said no. What kind of business would take on a liability and not take on the asset to help cover that liability if it existed? It is incomprehensible. There was no explanation for why they would do that. It was impossible to understand why they would do that, but that is exactly what the Government of Canada will do. I sat back and thought that if they can do that, I can finally understand what kind of psychology drives us to a \$57 billion deficit. It is not a big leap. It says something about the ability to manage and understand these complex issues, and I do not think they do.

All kinds of people have been talking about how the bill will reduce the scope of environmental assessments. We know that. It means that review of the climate change effects of major projects can and probably will be excluded. It means that this legislation is excluding broad swaths of projects. All of the stimulus program projects have been excluded from climate change, just like that, in a sweeping decision in this legislation.

Finally, to emphasize Senator McCoy's point, at a time when the world is going after Canada for some of its environmental image and its environmental reputation, we need to do something about strengthening that. We cannot do that just with the ads you see on bus stops in Ottawa and the newspaper ads in the *National Post*; you have to do much more than that. You have to be serious, and you have to be right. When you start to erode environmental assessments, you are neither serious nor are you right about that important issue.

Mr. Waxman, a very powerful Democrat, just said that he was going to oppose the extension of the Keystone bitumen pipeline to

the United States, which hurts Alberta. Fifty members of Congress stood up two weeks ago and said they were opposing the purchase of oil sands oil — they did not call it that — to the U.S. We have a problem, and this will make it worse.

The argument has been made by government that they had to change the environmental assessment because it delays projects and hurts the economy, but the testimony was that it does not delay projects. There is very little evidence that environmental assessments delay projects. Land claims delay them; interest rates going up delay them; oil prices going down delay them; labour shortages delay them. All kind of things delay them, but environmental assessments are not likely one of those things. Those changes are there because it is a question of who gets the money, and that will be bigger business.

As for AECL, Senator Ringuette made a good point. We are talking about \$8.5 billion to AECL over decades. Even if you put that into today's dollars, it is \$19 billion, yet the government in a single year gave \$15 billion or \$20 billion to the auto industry to save the same number of jobs. They are not necessarily high-tech futuristic jobs. They are worthy of saving, but AECL is looked at differently. It is difficult to understand. Maybe it is the politics of the issue.

When you look at the figures, no one is talking about the revenues that have been collected by AECL over all the years for the services they perform, for the power plants that they have sold, for the isotopes that they have sold, for the securing of waste and so on. It is very unfortunate that this government will privatize AECL without any indication of a plan for what to do to keep our hand in it, to provide leadership, to provide the kind of government activity and involvement that is required to make this type of product — CANDU reactors and other reactors — sell in a complex international energy market.

Hon. Roméo Antonius Dallaire: Honourable senators, it is late and I will attempt to be brief.

I have only five years of experience here, so I still feel I am in my apprenticeship or at least ebbing my apprenticeship phase in this institution. I cannot go back, as some of our colleagues, to the 17th or 18th century to use references, but I can go further back than CNN history, which is just last week, and go to the Cold War era. I wish to discuss Part 15 of Bill C-9, which deals with the sale of AECL.

• (2150)

First, there are masters of deception on the government side. In the Cold War, the Russians were masters at deception. It was part of their operational art and, in fact, led us astray in our need for security by creating enormous deception capabilities. One of the most effective tools was to camouflage things so you could create deception and give a different perspective to something in order to catch someone by surprise. I think 3.5 pounds of legislation is a great way to camouflage a whole bunch of subject matters and legislation that you really do not want to bring forward in front of the Canadian people or their representatives in an overt way. You camouflage it by putting it into a budget bill. That is essentially what we have seen with this massive overdose of legislation in Bill C-9.

I wish to bring the attention of honourable senators to AECL and particularly to the arguments surrounding the sale of that entity. In Senator Gerstein's very eloquent presentation, he argued well about the sale in terms of a business case, but he did not convince because there is a whole dimension of this sale that is lost in the exercise, and that is the security dimension. It is not only the technical security aspect of this proposed sale, but it is also the national security aspect of the sale of our nuclear capability, putting it in the hands of industry.

I am not against industry. I think they have their own ethical standards, but I would like to bring forward an argument that Teddy Roosevelt used in 1902 — I am going back a little further now, but not to the 18th century — when he was busting up the railroad giants. His argument was that he was not attacking the corporations but endeavouring to do away with any evil within them. He went on to say:

We are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. We draw the line against misconduct, not against wealth.

We have a similar exercise in putting this incredible capability of nuclear security — not only nuclear technology — in the hands of industry completely, as we did with the Canadian munitions industry. In the 1990s, the Canadian munitions industry suggested that they should do the safety analysis of the munitions. They argued that they would be the most effective people to do the safety inspections of the munitions that they were producing and that the troops would be using. That proposal was subjected to an enormous debate and ultimately was agreed to, but a whole set of caveats was put on the industry to ensure that they would not, by reason of economic constraint or competition, start cutting corners and ultimately have our own troops blasted away by the premature firing of our own munitions.

We did that with the munitions industry, but this nuclear dimension is even far more sophisticated, far more demanding and far more reckless if you make it into a pure profit exercise. I have no problem with the fact that we want to make money off this capability and that the government should be so engaged. I am not necessarily for government doing business, but in the case of national security, I believe it is essential.

There is not only the waste disposal dimension, but there is also the possibility of that fissile material falling into evil hands and ultimately the security of the actual reactors. All that is needed is a third catastrophe to throw that whole industry up in the air. The BP disaster in the Gulf of Mexico is an easy example compared to what would happen if one of these reactors went up in smoke.

The Pugwash movement, which is the anti-nuclear movement with regard to the proliferation of nuclear weapons and the continued distribution of nuclear capabilities, has been arguing whether nuclear energy really stands the test of being clean energy. Their position is that we should be considering alternative clean energy sources rather than going nuclear. Although we have been moving down that road and a number of countries are going that way, it has not been fully accepted.

You have an industry that might be turning a profit, that might be increasing in scale massively, that might make money over the next few years, and yet you want to get rid of it and give it to

industry? You are also throwing industry a bit of a left hook or a sucker punch inasmuch as that industry might go backward if it is proven that there is a movement to alternative energy. You will end up with a white elephant.

In my opinion, we should, as an institution responsible to the Canadian people, not fiddle with national capabilities such as our nuclear capability, and certainly not fiddle with the possibility of technical security breaches and the ultimate loss of fissile material.

When I commanded the Quebec area, I inspected all the hydroelectricity capabilities of the province of Quebec. When reviewing that infrastructure, it struck me that in fact we believed this country would never be attacked. Of course, if you look at the American weatherman's map, you would say there is no problem because they do not know we are here; there is nothing north of the United States. In fact, many of our American friends cannot believe there is a country north of Vermont, but even so, we are here. We are vulnerable and yet that hydroelectric infrastructure is essentially guarded by 80-year-old commissioners who are World War II veterans. That infrastructure is incredibly vulnerable.

The question is: How secure will we be when this falls into completely corporate hands? Will we have a hard time doing the inspections and validating the inspection tools?

Honourable senators, we should not lose our overarching responsibility, control and command of the nuclear capability in this country. On the contrary, we should be assisting it, selling the product, turning a profit, yes, but also assuring we have a national safety net that will ensure we will not be held at ransom by the cost-cutting measures of industry.

I wish to terminate my remarks by raising a point in regard to what was quoted about how we have been putting up with all this nonsense. I am quoting the Leader of the Government in the Senate who, in her presentation, I considered to be rather facile and even at times flippant. As a French Canadian in the artillery, as an officer cadet, I was told at one point by senior staff that I was flippant. Of course I did not understand what it meant, so I checked it out. I used a term my mother used to call me, which is that I was a bit of a snot-nosed smart aleck.

I believe some of the statements raised in the presentation were of that nature. There was a facile, condescending look — in fact we did not get the look, we just got the words — in regard to how we should be doing our work here. I think there is a bit of a problem with the definition of our role and responsibilities. I do not have ancient documents to prove it. I am using something that was published in 2005. I do not know if all the new senators have a copy. I believe Senator Joyal offered it for free and I hope someone has read it. I would like to read a short passage therein, at page 240 to 242.

[Translation]

Less and less do governments look to debates in the Commons and the examination of bills in Commons committees as an opportunity to test, improve and validate their legislative ideas. Instead, the overriding goals are the most efficient possible passage of the overall legislative program and the denial of opposition arguments.

Because senators are not preoccupied with re-election, the Senate is normally less partisan and majoritarian in its procedures, culture, and activities than the House of Commons, and this allows it occasionally to slow the Executive juggernaut that normally rolls over the House of Commons. With greater co-operation from governments and more independent-minded senators, the Senate could perform even more effectively as a source of “sober second thought,” as a technical revising body, especially for more specialized bills, and as a way to relieve some of the pressures on the Commons. . .

• (2200)

We have a role here, and that role is not to march around like some infantry regiment, following the party leader and saying:

[English]

“Yes, sir, yes, sir. Three bags full, sir.”

I applaud the level of discipline. In fact, I wish I had a regiment that was as disciplined as we see on the other side with regard to their roles and responsibilities, because it certainly attenuates any sort of debate that we might have as we have essentially been talking on our side and not having any debate.

In that sense, honourable senators, I think that we have a role. Yes, it is part of our exercise and, yes, it is July 12. So what? How many people have a lot of time in the summer to be on leave? I think my place of duty is here. This is the job we are supposed to be doing.

Some Hon. Senators: Hear, hear!

Senator Dallaire: They are not paying us by the hour, or double time and overtime. We are quite prepared to serve. That is the aim of the exercise.

Honourable senators, I would like to end with the following. I am not very skilled in wit and quick retort, so I have to use some references. The first reference I use is from a little book here, a little ditty called *The Wicked Wit of Winston Churchill*. I have been reading this as I have been listening to debate. I would like to raise the following with regard to political parties. Churchill states:

Asked what qualities a politician required, Churchill replied, “The ability to foretell what is going to happen tomorrow, next week, next month, and next year. And to have the ability afterwards to explain why it didn’t happen.”

That is sort of anticipating the future. A five-year budget plan is still a fairly long time, remembering that the Russians built their whole economy on five-year plans, and look what happened to them.

I also thought it interesting to quote Winston Churchill again:

The world today is ruled by harassed politicians absorbed in getting into office or turning out the other man so that not much room is left for debating great issues on their merits.

Churchill said that in 1947. That is rather interesting, however, I would like to get closer to home in the political arena. I will end with the following two quotations. The first one is:

The political arena is famously a battleground where the weapons are words, and many are the insults that flow back and forth across the parliamentary floor.

I stand here with my colleague Senator Lapointe. . .

[Translation]

. . . realizing that there are potentially some times when we need to speak with passion, yet we still need to be careful of what we say.

I would like to end with the following quotation:

[English]

Not long before Churchill crossed the floor to join the Liberal Party, he remarked of his (then) fellow Conservatives: “They are a class of right honourable gentlemen —”

Of course, in those days they were all men.

“— all good men, all honest men — who are ready to make great sacrifices for their opinions, but they have no opinions. They are ready to die for the truth, if only they knew what the truth was.”

Ladies and gentlemen, we need these amendments. It is irresponsible and bordering on unethical not to approve these amendments and send the bill back with the amendments to the House of Commons.

Some Hon. Senators: Hear, hear!

Senator Comeau: Honourable senators, I believe the views on both sides of the house have been placed on the record long and hard. It is getting late. Someone, I believe, actually turned up the heat in this place for some reason.

Senator Munson: If you can’t stand the heat, get out of the kitchen.

Senator Comeau: That was the bad news. The good news is that I still have 18 people who are ready to get up and speak. However, I have asked every one of them if this house would be agreeable that we would ask them not to speak at this point and that we would seek leave to put both questions now. First, we would proceed to putting the division on the report, immediately followed by the division on Bill C-9.

If the house is agreeable to that, I believe the 18 people who are prepared to get up and speak at this point would not do so. I did get agreement.

If the house is ready to proceed to division on both the report stage and Bill C-9 at this point, I think we should proceed along that line.

Some Hon. Senators: Agreed.

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, I want to clarify. It has been a long evening and there has been vigorous debate. I understand that my colleague is asking for leave to proceed to the report stage and to third reading with a vote. Is that correct?

Senator Comeau: Yes. We would proceed to the vote on the report stage and immediately afterward we would proceed to the division on the bill itself, Bill C-9.

Senator Tardif: Agreed.

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

It was moved by the Honourable Senator Day, seconded by the Honourable Senator Losier-Cool, that the sixth report of the Standing Senate Committee on National Finance, Bill C-9, An Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010, and other measures, with amendments, presented in the Senate on July 8, 2010, be adopted.

All those in favour of the motion will please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker: All those opposed to the motion will please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the “nays” have it.

And two honourable senators having risen:

The Hon. the Speaker: Two senators rising; call in the senators. Do the whips have agreement?

Hon. Consiglio Di Nino: Thirty minutes.

Hon. Jim Munson: Yes, 30 minutes.

The Hon. the Speaker: There will be a 30-minute bell, which means that the vote will take place at 10:36.

The Hon. the Speaker: May I have permission to leave the chair?

Hon. Senators: Agreed.

• (2240)

Motion negated on the following division:

YEAS THE HONOURABLE SENATORS

Baker	Losier-Cool
Callbeck	Lovelace Nicholas
Campbell	Mahovlich
Chaput	Massicotte
Cools	McCoy
Cordy	Mercer
Cowan	Merchant
Dallaire	Mitchell
Dawson	Moore
Day	Munson
Downe	Murray
Dyck	Pépin
Eggleton	Peterson
Fairbairn	Poulin
Fraser	Poy
Furey	Ringuette
Harb	Robichaud
Hervieux-Payette	Rompkey
Hubley	Stollery
Jaffer	Tardif
Kenny	Watt
Lapointe	Zimmer—44

NAYS THE HONOURABLE SENATORS

Andreychuk	Lang
Angus	LeBreton
Ataullahjan	MacDonald
Boisvenu	Manning
Braley	Marshall
Brazeau	Martin
Brown	Meighen
Champagne	Mockler
Cochrane	Nancy Ruth
Comeau	Neufeld
Di Nino	Ogilvie
Dickson	Oliver
Duffy	Patterson
Eaton	Plett
Finley	Poirier
Fortin-Duplessis	Rivest
Frum	Runciman
Gerstein	Seidman
Greene	St. Germain.
Greene Raine	Stewart Olsen
Housakos	Stratton
Johnson	Tkachuk
Kinsella	Wallace
Kochhar	Wallin—48

ABSTENTIONS THE HONOURABLE SENATORS

Nil

[Translation]

THIRD READING

Hon. Gerald J. Comeau (Deputy Leader of the Government) moved that Bill C-9, An Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures, be read the third time.

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

[English]

THE SENATE

TRIBUTE TO DEPARTING PAGE

The Hon. the Speaker: Honourable senators, I would like to take this opportunity to pay tribute to one of our departing pages, Sadaf Tataei, who will be leaving us. She is from Ottawa and leaving the page program after one year to continue her studies in international studies and modern languages in French immersion at the University of Ottawa.

Hon. Senators: Hear, hear!

TRIBUTES TO SENATE STAFF

Hon. James S. Cowan (Leader of the Opposition): Honourable senators, before we adjourn, there is one additional item of business which I think we should address, and that is the thanks to the many people here who make our work possible.

First, we are all pleased that Dr. Gary O'Brien chose to return here to serve as our clerk.

Hon. Senators: Hear, hear!

Senator Cowan: We hope that his experience over the last session has not caused him to regret his coming out of retirement.

The exceptional people around Dr. O'Brien, from the clerks at the table to the staff behind the scenes in the office, all bring unrivalled strength and depth of knowledge of parliamentary procedure.

Our Senate committees have an enviable reputation for excellence, and that reputation for thorough and thoughtful work owes much to the excellent committee staff. The committee clerks, in particular, somehow manage to maintain their sanity in the midst of seemingly impossible deadlines and demands. There are also the researchers from the Library of Parliament whose work, from backgrounders to final reports, contributes so much to the quality of our work.

Our law clerk and parliamentary counsel and his colleagues have been pressed to do double duty in the last few months, continuing to advise us on legal questions, and to draft amendments and private members' bills, but now also serving here in the chamber at the table.

To our interpreters, translators, reporters, the excellent staff who labour in Debates Services and Journals, our Senate Protective Service and the many others who work to keep the Senate going so smoothly in order that we may focus on the bills and other matters before us, we thank you. It is a pleasure to work with all of you.

We have made your work particularly hard these past few weeks, and often under difficult and stressful circumstances, to say nothing of the heat wave. I extend our thanks and very best wishes for the summer.

Hon. Senators: Hear, hear!

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, I, too, would like to join with the Honourable Leader of the Opposition in thanking many people, starting with the clerk. I share the Honourable Senator Cowan's words that we were certainly fortunate to have had Dr. Gary O'Brien return. I, too, hope we have not made his life so difficult that he is questioning the wisdom of his decision.

I also wish to thank the table officers, the Senate stenographers, the interpreters, the translators, the committee clerks and the committee staff, and the pages in the Senate.

I also would like to thank all of the maintenance staff in the Senate, especially my friend Bill — he knows who I am talking about. Bill is an interesting friend of mine. We both share a love of car racing, although we do not cheer for the same person, and that adds a little spice to our conversations.

Thank you to the security staff, who do such a great job, and all of the staff of the Senate administration.

Most importantly, I say thank you to our own staff, the staff of each and every senator — in my case, the staff of the Leader of the Government in the Senate. We have a small, dedicated staff, led by my Chief of Staff, Sandy Melo.

It has been a long session, but it will not be long before we are back here. Someone said a few moments ago to have a nice summer, and I responded with, "what is left of it." Certainly the heat in this place is not only figurative; it is actually physical as well.

I want to extend my own personal thanks to my colleagues, most importantly, and to my colleagues opposite. We have had a productive session. I pointed out to the Prime Minister and to my cabinet colleagues that we have actually accomplished more government business in the Senate than they did in the House of Commons. They have had to admit that.

I would like to say that it has been an enjoyable session. I look forward to when we return in September. I wish everyone a great summer — what is left of it — and we will see you soon.

Thank you very much, Mr. Speaker.

BUSINESS OF THE SENATE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, with leave I would ask that all items on the Order Paper stay in their place. When we come back in the fall, we will proceed from there.

• (2250)

Royal Assent will take place shortly. The judge is on standby, so I would suggest, with leave, that we suspend the sitting until the judge signs the bill. We could come back then, and I will have the pleasant duty of moving the adjournment motion.

The Hon. the Speaker: Honourable senators, is leave granted and is it agreed that the sitting will be suspended to be reconvened at the call of the chair with a 15-minute bell?

Hon. Senators: Agreed.

The Hon. the Speaker: Allow me as your Speaker to express my deep gratitude and respect for all honourable senators who sit in this chamber. The sense of duty to our country is a model for all Canadians; the respect for our parliamentary process is so dignified, and the work that is accomplished by all honourable senators certainly makes me proud to be your serving Speaker.

In that regard, under the rubric of rule 18, that the Speaker is to keep order and decorum, I can only do it by the generous collaboration of all members of this house, so thank you.

Hon. Senators: Hear, hear!

(The sitting of the Senate was suspended.)

• (2320)

[*Translation*]

(The sitting of the Senate was resumed.)

ROYAL ASSENT

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL

July 12, 2010

Mr. Speaker,

I have the honour to inform you that the Honourable Thomas Albert Cromwell, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy of the Governor General, signified royal assent by written declaration to the bill listed in the Schedule to this letter on the 12th day of July, 2010 at 11:05 p.m.

Yours sincerely,

Sheila-Marie Cook
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

Bill assented to Monday, July 12, 2010:

An Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures (*Bill C-9, Chapter 12, 2010*).

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(h), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, September 28, 2010, at 2 p.m.

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

Hon. Senators: Agreed.

(Motion agreed to.)

(The Senate adjourned until Tuesday, September 28, 2010, at 2 p.m.)

THE SENATE OF CANADA

PROGRESS OF LEGISLATION

(indicates the status of a bill by showing the date on which each stage has been **completed**)

(3rd Session, 40th Parliament)

Monday, July 12, 2010

(*Where royal assent is signified by written declaration, the Act is deemed to be assented to on the day on which the two Houses of Parliament have been notified of the declaration.)

GOVERNMENT BILLS (SENATE)

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
S-2	An Act to amend the Criminal Code and other Acts	10/03/17	10/03/29	Legal and Constitutional Affairs	10/05/06	0	10/05/11		
S-3	An Act to implement conventions and protocols concluded between Canada and Colombia, Greece and Turkey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income	10/03/23	10/03/31	Banking, Trade and Commerce	10/04/29	0	10/05/04		
S-4	An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves	10/03/31	10/05/05	Human Rights	10/06/15	9	10/07/06		
S-5	An Act to amend the Motor Vehicle Safety Act and the Canadian Environmental Protection Act, 1999	10/04/14	10/05/12	Transport and Communications	10/06/03	0	10/06/08		
S-6	An Act to amend the Criminal Code and another Act	10/04/20	10/05/05	Legal and Constitutional Affairs	10/06/28	0	10/06/29		
S-7	An Act to deter terrorism and to amend the State Immunity Act	10/04/21	10/06/17	Special on Anti-terrorism					
S-8	An Act respecting the selection of senators	10/04/27							
S-9	An Act to amend the Criminal Code (auto theft and trafficking in property obtained by crime)	10/05/04	10/05/26	Legal and Constitutional Affairs	10/06/03	0	10/06/08		
S-10	An Act to amend the Controlled Drugs and Substances Act and to make related and consequential amendments to other Acts	10/05/05							
S-11	An Act respecting the safety of drinking water on first nation lands	10/05/26							

**GOVERNMENT BILLS
(HOUSE OF COMMONS)**

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
C-2	An Act to implement the Free Trade Agreement between Canada and the Republic of Colombia, the Agreement on the Environment between Canada and the Republic of Colombia and the Agreement on Labour Cooperation between Canada and the Republic of Colombia	10/06/15	10/06/16	Foreign Affairs and International Trade	10/06/17	0	10/06/21	*10/06/29	4/10
C-6	An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2010 (<i>Appropriation Act No. 5, 2009-2010</i>)	10/03/24	10/03/29	—	—	—	10/03/30	10/03/31	1/10
C-7	An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2011 (<i>Appropriation Act No. 1, 2010-2011</i>)	10/03/24	10/03/29	—	—	—	10/03/30	10/03/31	2/10
C-9	An Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures	10/06/08	10/06/10	National Finance	10/07/08 Report defeated 10/07/12	34 (defeated)	10/07/12	*10/07/12	12/10
C-11	An Act to amend the Immigration and Refugee Protection Act and the Federal Courts Act	10/06/15	10/06/17	Social Affairs, Science and Technology	10/06/28	0 observations	10/06/28	*10/06/29	8/10
C-13	An Act to amend the Employment Insurance Act	10/06/17	10/06/21	Social Affairs, Science and Technology	10/06/28	0	10/06/28	*10/06/29	9/10
C-23A	An Act to amend the Criminal Records Act	10/06/17	10/06/21	Legal and Constitutional Affairs	10/06/28	0	10/06/28	*10/06/29	5/10
C-24	An Act to amend the First Nations Commercial and Industrial Development Act and another Act in consequence thereof	10/06/15	10/06/17	Aboriginal Peoples	10/06/22	0	10/06/28	*10/06/29	6/10
C-34	An Act to amend the Museums Act and to make consequential amendments to other Acts	10/06/15	10/06/17	Social Affairs, Science and Technology	10/06/22	0	10/06/28	*10/06/29	7/10
C-40	An Act to establish National Seniors Day	10/06/17							
C-44	An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2011 (<i>Appropriation Act No. 2, 2010-11</i>)	10/06/21	10/06/28	—	—	—	10/06/29	*10/06/29	10/10
C-45	An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2011 (<i>Appropriation Act No. 3, 2010-11</i>)	10/06/21	10/06/28	—	—	—	10/06/29	*10/06/29	11/10

COMMONS PUBLIC BILLS

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
C-232	An Act to amend the Supreme Court Act (understanding the official languages)	10/04/13							
C-268	An Act to amend the Criminal Code (minimum sentence for offences involving trafficking of persons under the age of eighteen years)	10/03/04	10/04/21	Social Affairs, Science and Technology	10/06/03	0	10/06/17	*10/06/29	3/10
C-288	An Act to amend the Income Tax Act (tax credit for new graduates working in designated regions)	10/05/06							
C-302	An Act to recognize the injustice that was done to persons of Italian origin through their "enemy alien" designation and internment during the Second World War, and to provide for restitution and promote education on Italian-Canadian history	10/04/29							
C-311	An Act to ensure Canada assumes its responsibilities in preventing dangerous climate change	10/05/06							
C-464	An Act to amend the Criminal Code (justification for detention in custody)	10/03/23	10/06/22	Legal and Constitutional Affairs					
C-475	An Act to amend the Controlled Drugs and Substances Act (methamphetamine and ecstasy)	10/06/10							

SENATE PUBLIC BILLS

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
S-201	An Act to amend the Office of the Superintendent of Financial Institutions Act (credit and debit cards) (Sen. Ringuette)	10/03/04	10/03/30	Banking, Trade and Commerce					
S-202	An Act to amend the Canadian Payments Act (debit card payment systems) (Sen. Ringuette)	10/03/04	10/04/20	Banking, Trade and Commerce					
S-203	An Act respecting a National Philanthropy Day (Sen. Mercer)	10/03/04	10/04/29	Social Affairs, Science and Technology	10/06/08	2	10/06/10		
S-204	An Act to amend the Criminal Code (protection of children) (Sen. Hervieux-Payette, P.C.)	10/03/09							
S-205	An Act to provide the means to rationalize the governance of Canadian businesses during the period of national emergency resulting from the global financial crisis that is undermining Canada's economic stability (Sen. Hervieux-Payette, P.C.)	10/03/09							
S-206	An Act to establish gender parity on the board of directors of certain corporations, financial institutions and parent Crown corporations (Sen. Hervieux-Payette, P.C.)	10/03/09	10/05/13	Banking, Trade and Commerce					

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
S-207	An Act to amend the Fisheries Act (commercial seal fishing) (Sen. Harb)	10/03/09							
S-208	An Act to amend the Conflict of Interest Act (gifts) (Sen. Day)	10/03/09							
S-209	An Act respecting a national day of service to honour the courage and sacrifice of Canadians in the face of terrorism, particularly the events of September 11, 2001 (Sen. Wallin)	10/03/09							
S-210	An Act to amend the Federal Sustainable Development Act and the Auditor General Act (involvement of Parliament) (Sen. Banks)	10/03/09	10/03/18	Energy, the Environment and Natural Resources	10/04/22	0	10/04/27		
S-211	An Act respecting World Autism Awareness Day (Sen. Munson)	10/03/10	10/04/20	Social Affairs, Science and Technology	10/06/08	4	10/07/08		
S-212	An Act to amend the Excise Tax Act (tax relief for Nunavik) (Sen. Watt)	10/03/10	10/03/31	National Finance					
S-213	An Act to amend the International Boundary Waters Treaty Act (bulk water removal) (Sen. Murray, P.C.)	10/03/23	Bill withdrawn 10/05/27						
S-214	An Act to amend the Bankruptcy and Insolvency Act and other Acts (unfunded pension plan liabilities) (Sen. Ringuette)	10/03/24	10/06/10	Banking, Trade and Commerce					
S-215	An Act to amend the Criminal Code (suicide bombings) (Sen. Frum)	10/03/24	10/03/31	Legal and Constitutional Affairs	10/05/06	0	10/05/11		
S-216	An Act to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act in order to protect beneficiaries of long term disability benefits plans (Sen. Eggleton, P.C.)	10/03/25	10/06/17	Banking, Trade and Commerce					
S-217	An Act to establish and maintain a national registry of medical devices (Sen. Harb)	10/04/14	10/06/15	Social Affairs, Science and Technology					
S-218	An Act respecting Canada-Russia Friendship Day (Sen. Stollery)	10/05/12							
S-219	An Act to amend the Canada Post Corporation Act (rural postal services and the Canada Post Ombudsman) (Sen. Peterson)	10/06/01							
S-220	An Act to amend the Official Languages Act (communications with and services to the public) (Sen. Chaput)	10/06/09							
S-221	An Act to amend the Income Tax Act (carbon offset tax credit) (Sen. Mitchell)	10/06/10							
S-222	An Act respecting a Tartan Day (Sen. Wallace)	10/06/22							

PRIVATE BILLS

No.	Title	1st	2nd	Committee	Report	Amend	3rd	R.A.	Chap.

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