



# DEBATES OF THE SENATE

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OFFICIAL REPORT  
(HANSARD)

Thursday, June 28, 2012

The Honourable NOËL A. KINSELLA  
Speaker

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## THE SENATE

Thursday, June 28, 2012

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

[English]

Prayers.

[Translation]

## SENATORS' STATEMENTS

### ROYAL ASSENT

#### NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

#### RIDEAU HALL

June 28th, 2012

Mr. Speaker:

I have the honour to inform you that the Right Honourable David Johnston, Governor General of Canada, will proceed to the Senate Chamber today, the 28th day of June, 2012, at 2:00 p.m., for the purpose of giving Royal Assent to certain bills of law.

Yours sincerely,

Stephen Wallace  
*Secretary to the Governor General*

The Honourable  
The Speaker of the Senate  
Ottawa

### THE SENATE

#### MOTION TO PHOTOGRAPH ROYAL ASSENT CEREMONY ADOPTED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, I move:

That photographers be authorized in the Senate Chamber to photograph the Royal Assent Ceremony today, with the least possible disruption of the proceedings.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

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

(Motion agreed to.)

### TRIBUTES

#### THE HONOURABLE VIVIANNE POY

**Hon. Marie-P. Charette-Poulin:** Honourable senators, I rise today to pay tribute to our colleague Senator Vivienne Poy, who is retiring from this chamber.

Senator Poy is a well-respected entrepreneur, an author and historian. She is Chancellor Emerita of the University of Toronto; she has received a multitude of well-deserved awards and honorary degrees; and she is honorary patron for more than 20 associations and projects.

However, today I would like to focus on her contributions as a parliamentarian. Senator Poy came to this place in 1998, the first Canadian of Asian descent to be appointed to the Senate of Canada. She brought her many talents with her, and everything she has accomplished during her time in this chamber has been done with grace and energy.

Senator Poy has always shown pride in her cultural heritage, and she wanted to find a way for all Canadians to have the opportunity to celebrate the important contributions Asian Canadians have made, and continue to make, to our country. In 2001, she successfully introduced a motion in the Senate to establish May as Asian Heritage Month, and in 2002, it received official designation by the Government of Canada.

In her efforts to strengthen ties between Canada and Asia, Senator Poy has hosted an annual parliamentary networking breakfast. This is done in partnership with the Hong Kong-Canada Business Association and the Hong Kong Economic and Trade Office and is meant to foster Canada-Hong Kong and Asia-Pacific trade relationships.

I would also like to highlight a moment in Senator Poy's personal life that speaks to her strength of character and her courage. In 2008, she donated a kidney to her son, Justin, in what at that time I referred to as a tangible gesture of motherly love. I believed then, as I do now, that Senator Poy is an inspiration for all of us and a reminder that many lives might be saved and suffering alleviated if we would sign organ donor cards.

I wish Vivienne and her husband, Dr. Neville Poy, great happiness and wonderful adventures as they embark on yet another stage in their lives. Bonne chance et bon voyage!

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

### FIVE WITH D.R.I.V.E.

**Hon. Consiglio Di Nino:** Honourable senators, I am always truly inspired by the number of Canadian heroes that Canada is blessed with. Last Saturday, June 23, I joined five amazing young men who, for 63 days, walked from Vancouver to Toronto to advocate on behalf of victims of crime. That is more than 4,700 kilometres. I was honoured to walk 18 kilometres — I repeat, not 1,800, 18 kilometres — with them, the last leg of their Freedom Walk, which ended at Queen's Park in Toronto. Last year, they walked from Newfoundland to Newmarket, Ontario, for another cause, thus completing the incomparable feat of walking our country from coast to coast.

The organization 5WD, or Five with D.R.I.V.E., created by brothers Dan and Andrew Rossi, who were two of the walkers, inspired by their mother Anna and father Joe, is dedicated to serving those less fortunate, both within and outside Canada. I direct you to their website, [www.5wd.ca](http://www.5wd.ca).

Here is part of their mission statement:

At the very core of the Five with D.R.I.V.E. Foundation (5WD) overseas and national programming is the belief that for a community to experience true development the community itself must drive the process.

5WD works with, and often through, local partners, including local churches and community groups. We ensure that these local groups are full participants in the design and implementation of the programs, because the end goal of all the programming is that these organizations take full ownership, growing to the point where 5WD is no longer necessary.

Besides the walks, they operate a food bank in York Region and a mobile outreach program for those in need. In Kenya, they are building schools, water systems, sanitary latrines and kitchen facilities, as well as a micro-finance system.

Honourable senators, Dan and Andrew were joined in the walk by Travis Juska, Rob Skelly and Mark MacDonnell, and the driver of the support van, Steve Giter. Dan and Travis are Calgary policemen; Andrew is a businessman in Markham; Mark is an RCMP officer; and Rob is a soldier in the Canadian Forces.

Honourable senators, to all of them, we say: You represent the best of Canada and you make us all proud. To you, your support team and all who joined along the way to walk with and encourage you, we salute you, praise you and thank you for caring.

### TRUTH AND RECONCILIATION COMMISSION NATIONAL EVENT

**Hon. Lillian Eva Dyck:** Honourable senators, last week I attended the Truth and Reconciliation Commission National Event that took place in Saskatoon from June 21 to 24, where thousands of people gathered to be part of this historic event. The

goal of this event was to commemorate the Indian residential survivors, as well as honouring the survivors who are no longer with us, including the thousands of children who went missing or died while at the residential schools.

• (1340)

The TRC was established in 2008 to tell Canadians about the history of Indian residential schools and the impacts they had on Aboriginal children. One of the TRC's goals is to establish a process of reconciliation between Aboriginal families, communities, churches and the government.

Indian residential schools go back to the 1870s. There were over 130 residential schools across Canada where more than 150,000 First Nations, Metis and Inuit children were taken from their families and placed in these schools. It is estimated that more than 80,000 who attended such schools are alive today.

Honourable senators, my mother, Eva McNab, was born on the Gordon Indian reserve. The last residential school in Canada closed in 1996, just 16 years ago. That school was located on her reserve, and it was one of the most notorious because of the large number of students who were sexually abused there.

At the TRC meetings in Saskatoon, some survivors described incidents of physical and sexual abuse inflicted on them when they were children attending an Indian residential school. In reality, they were beaten and raped. Survivors also talked about the intergenerational transmission of the trauma, the resultant alcohol abuse, the drug abuse, and the acts of violence and sexual abuse perpetrated by survivors and their families.

I congratulate all those involved in holding the TRC event in Saskatoon. It was well attended by Aboriginals and non-Natives alike. Events such as these bring us all closer together and help heal the wounds inflicted on Aboriginal peoples, all of this done ostensibly in the name of civilizing and Christianizing them.

After the commission completes its hearings, a national research centre will be set up so that researchers can analyze the stories of the survivors. While this is a worthy initiative, such research must respect traditional Aboriginal protocols and must not benefit just non-Native researchers. Survivors, their family members and Aboriginal researchers must be included as equal partners in the work of the national research centre.

By learning the true story of what happened at Indian residential schools, it is hoped that Canadians will not repeat the same tragic mistakes and will respect the cultures of all the peoples of Canada and treat them with dignity rather than with disdain, disgust or indifference.

Honourable senators, still today, Aboriginal children are treated unfairly by federal education policies. The amount of federal dollars to educate a First Nation child in a reserve school is less than that of any other Canadian child. Senators opposite, I have a challenge for you: Reconcile that.

### BATTLE OF BEAUMONT-HAMEL

**Hon. Elizabeth (Beth) Marshall:** Honourable senators, this Sunday, on July 1, Canadians will celebrate Canada Day. For the people of Newfoundland and Labrador, this day has an additional, more somber meaning. In Newfoundland and Labrador, July 1 is also known as Memorial Day, a day which marks the anniversary of the fighting at Beaumont-Hamel during World War I.

Senators will recall that during World War I, Newfoundland was still a dominion of the British Empire and not yet part of Canada, which it would not join until 1949. However, once Britain was forced to declare war on Germany in 1914, Newfoundland, like Canada, was automatically at war. The citizens of my province responded with tremendous patriotism. Of a total population of 240,000 people, over 12,000 Newfoundlanders and Labradorians enlisted in the war effort.

Newfoundland's first recruits, the 1st Newfoundland Regiment, made their way overseas in October 1914 and became a unit of the British Army. Referred to as the "Blue Puttees" due to the colour of their uniform leggings, the 1st Regiment saw action in the Gallipoli campaign in Turkey in the latter part of 1915. They were subsequently sent to the Western Front in France in the spring of 1916.

July 1, 1916, was the first day of the Battle of the Somme, which represented the "big push" by the Allies to break the trench warfare stalemate of the initial part of World War I. On the morning of July 1, 1916, thousands of British and French troops commenced their advance across "No Man's Land," which was defended by barbed wire, lookouts and a complex series of trenches. This day would result in a slaughter for the Allied Forces. More than 50,000 British and Commonwealth soldiers would be killed, wounded or missing, representing the heaviest combat losses ever suffered by the British Army in a single day.

For Newfoundland's 1st Regiment, which was making its advance near the village of Beaumont-Hamel in Northern France, the results were particularly devastating. Only 68 of the 801 Newfoundlanders who went into battle on that July 1 morning were able to answer the roll call next day. All told, 255 of Newfoundland's best lost their lives on that day, 386 were wounded and 91 were missing.

The survivors of the Battle of Beaumont-Hamel would go on to help rebuild the 1st Regiment. The regiment would see additional action during the remainder of World War I. Eventually, it would become the only unit of the British Army to earn the official designation "Royal" from the British Crown in recognition of the regiment's gallant action in the Battles of Cambrai and Ypres.

As an aside, Tommy Ricketts, who is one of Newfoundland and Labrador's most famous veterans and a recipient of the Victoria Cross, was wounded in the Battle of Cambrai.

These accomplishments aside, it is the incredible sacrifices of the men of the 1st Newfoundland Regiment at Beaumont-Hamel which to this day so strongly resonates in Newfoundland and Labrador. On July 1 of every year, the people of my province pause in tribute to these valiant soldiers who gave the ultimate sacrifice to preserve our peace and freedom.

### MR. JEAN BÉLIVEAU, C.C., G.O.Q.

#### CONGRATULATIONS ON ORDER OF HOCKEY AWARD

**Hon. Francis William Mahovlich:** Honourable senators, earlier this week, Jean Béliveau was honoured with the Order of Hockey in Canada at a gala in Toronto. While he was unable to attend the event due to health issues, I was fortunate enough to be asked to accept the award on his behalf. I would like to share with you part of the speech I gave as part of this great honour.

Jean received his first pair of skates from his father at the age of 5.

[Translation]

From that time on, his passion was hockey.

[English]

He played in the Quebec Major Junior Hockey League with the Victoriaville Tigres and the Quebec Citadelles, and in the Quebec Senior Hockey League with the Quebec Aces. After playing with the Quebec Aces for three years, including a few games with the Montreal Canadiens, Jean officially joined the Montreal team roster in 1953 and, as they say, the rest is history.

Jean's many accomplishments while a member of the Canadiens are well known and, of course, well deserved. He won the Art Ross Memorial Trophy for leading the league in scoring for the regular season in 1956. He was the first player to win the Conn Smythe Trophy in 1965 for the most valuable player in the playoffs, and he was a two-time winner of the Hart Memorial Trophy for the most valuable player in the NHL. He was also named to 10 NHL all-star teams and helped to win the Stanley Cup 10 times with the Canadiens. He played 18 full seasons with the Montreal Canadiens, the last 10 of which he served as captain.

Not only was he a tremendous player on the ice, Jean was a great gentleman off the ice as well. He has been acknowledged by many as a true role model for kids and in 1971 helped to create the Jean Béliveau Foundation to help underprivileged children. He has been honoured countless times for his true sportsmanship, including honorary degrees from the University of Moncton and McGill University, being made a Companion of the Order of Canada and having a star on Canada's Walk of Fame. I could go on, but we would be here all day.

Needless to say, honourable senators, I can think of no one more deserving of this award than Jean Béliveau. He is truly one of the heroes of this game and will continue to be an inspiration to all players and fans, both young and old.

Honourable senators, I am sure you will all join me in sending him our heartfelt congratulations and our gratitude for giving us all so many years of joy when we watched him play hockey.

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

## BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators, is it agreed that we suspend to await the arrival of the Governor General?

**Hon. Senators:** Agreed.

(The Senate adjourned during pleasure.)

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• (1400)

[Translation]

## ROYAL ASSENT

His Excellency the Governor General of Canada having come and being seated on the Throne, and the House of Commons having been summoned, and being come with their Speaker, His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Criminal Code (citizen's arrest and the defences of property and persons) (*Bill C-26, Chapter 9, 2012*)

An Act respecting the National Flag of Canada (*Bill C-288, Chapter 12, 2012*)

An Act respecting a day to increase public awareness about epilepsy (*Bill C-278, Chapter 13, 2012*)

An Act to amend the Importation of Intoxicating Liquors Act (interprovincial importation of wine for personal use) (*Bill C-311, Chapter 14, 2012*)

An Act to amend the Criminal Code (trafficking in persons) (*Bill C-310, Chapter 15, 2012*)

An Act relating to pooled registered pension plans and making related amendments to other Acts (*Bill C-25, Chapter 16, 2012*)

An Act to amend the Immigration and Refugee Protection Act, the Balanced Refugee Reform Act, the Marine Transportation Security Act and the Department of Citizenship and Immigration Act (*Bill C-31, Chapter 17, 2012*)

The Honourable Andrew Scheer, Speaker of the House of Commons, then addressed His Excellency the Governor General as follows:

May it please Your Excellency.

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Excellency the following bills:

An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2013 (*Bill C-40, Chapter 10, 2012*)

An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2013 (*Bill C-41, Chapter 11, 2012*)

To which bills I humbly request Your Excellency's assent.

His Excellency the Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

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(The sitting of the Senate was resumed.)

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• (1410)

## ROUTINE PROCEEDINGS

### STUDY ON ACCESSIBILITY OF POST-SECONDARY EDUCATION

SIXTH REPORT OF SOCIAL AFFAIRS, SCIENCE  
AND TECHNOLOGY COMMITTEE—  
GOVERNMENT RESPONSE TABLED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, the government's response to the sixth report of the Standing Senate Committee on Social Affairs, Science and Technology, entitled: *Opening the Door: Reducing Barriers to Post-Secondary Education in Canada*.

[English]

### JUSTICE AND ATTORNEY GENERAL

JUSTICE—2011-12 ANNUAL REPORTS TABLED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, the annual reports on section 72 of the Privacy Act and section 72 of the Access to Information Act from the Department of Justice.

[Translation]

**PUBLIC PROSECUTION SERVICE—  
2011-12 ANNUAL REPORTS TABLED**

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, the annual reports of the Public Prosecution Service of Canada, pursuant to section 72 of the Privacy Act and section 72 of the Access to Information Act.

[English]

**CANADIAN HUMAN RIGHTS COMMISSION**

2011-12 ANNUAL REPORT TABLED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, the annual report on the Privacy Act from the Canadian Human Rights Commission.

**CANADIAN HUMAN RIGHTS TRIBUNAL**

2011-12 ANNUAL REPORTS TABLED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, the annual reports on section 72 of the Privacy Act and section 72 of the Access to Information Act from the Canadian Human Rights Tribunal.

[Translation]

**STUDY ON ISSUE OF SEXUAL  
EXPLOITATION OF CHILDREN**

THIRD REPORT OF HUMAN RIGHTS COMMITTEE—  
GOVERNMENT RESPONSE TABLED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, the government's response to the third report of the Standing Senate Committee on Human Rights, entitled: *The Sexual Exploitation of Children in Canada: the Need for National Action*.

[English]

**CANADA—JORDAN ECONOMIC GROWTH  
AND PROSPERITY BILL**

SIXTH REPORT OF FOREIGN AFFAIRS AND  
INTERNATIONAL TRADE COMMITTEE PRESENTED

**Hon. A. Raynell Andreychuk**, Chair of the Standing Senate Committee on Foreign Affairs and International Trade, presented the following report:

Thursday, June 28, 2012

The Standing Senate Committee on Foreign Affairs and International Trade has the honour to present its

**SIXTH REPORT**

Your committee, to which was referred Bill C-23, An Act to implement the Free Trade Agreement between Canada and the Hashemite Kingdom of Jordan, the Agreement on the Environment between Canada and the Hashemite Kingdom of Jordan and the Agreement on Labour Cooperation between Canada and the Hashemite Kingdom of Jordan, has, in obedience to the order of reference of Wednesday, June 27 2012, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

**RAYNELL ANDREYCHUK**  
*Chair*

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

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

• (1420)

[Translation]

**QUESTION PERIOD**

**PARKS CANADA**

RIEL HOUSE NATIONAL HISTORIC SITE—  
REDUCTION OF SERVICES

**Hon. Maria Chaput:** Honourable senators, my question is for the Leader of the Government in the Senate.

On June 12, 2012, I asked a question regarding Riel House in Winnipeg, the Metis historic site closely connected to the story of Louis Riel, and the elimination of personalized interpretation services by Parks Canada. The Leader of the Government replied at the time that Riel House National Historic Site was not closing, but rather was moving to interpretation using new-age technology.

For a minority community — whether Metis or francophone — losing services in French has a much greater impact than it would on the majority. Losing this service provided by welcoming interpreters who can speak both official languages is a very serious matter for these minority groups. The historical character of this house amplifies the negative impact of this decision, given that Louis Riel was born in that log cabin on October 22, 1844.

This site was also where, at the age of five, Louis Riel was initiated into politics through his father's actions. It was also where the National Métis Committee was founded in 1868. Louis Riel was the interim leader of Manitoba for months, with the

express consent of the Deputy Prime Minister of Canada. Thanks to Louis Riel's efforts, the federal government finally declared Manitoba a province in March 1870, with the separate schools principle and the allotment of lands for the Metis. The Manitoba Act officially came into force on July 15, 1870. For us, Louis Riel is the founder of our province, Manitoba.

My question is the following: is it too much to ask that Parks Canada continue to provide financial support to the only national historic site in Winnipeg where students provide on-site, personal interpretation services during the summer in both of our official languages?

Is it too much to ask that Parks Canada recognize that this Metis historic site is unique in the history of the Metis and Manitoba?

Is it too much to ask that Parks Canada reconsider its decision, that it not treat this site like other sites, and that it recognize the unique role the site plays in our history?

[English]

**Hon. Marjory LeBreton (Leader of the Government):** I thank the honourable senator for the question. Of course, as I indicated and as the honourable senator knows, the Riel House is very much a part of our historic landscape, very much a part of Parks Canada's plans, and of course Riel House will remain open.

With regard to the actual tours of Riel House, self-guided tours will be implemented. Self-guided tours and visits have been part of the experience at national historic sites and monuments throughout the nation and have been in use for quite some time. They have been used as stand-alone activities and oftentimes in combination with personal interpretation.

Self-guided tours, Parks Canada and others have found, often are a better way of having a site properly explained to visitors. People are not rushed through a site by a guide. Rather, they can look at a display, listen to the recording in their own language about what a particular display or artifact means and move on at their own pace. This has worked well, not only in Canada but all around the world. Honourable senators, I believe that visitors will find the historic significance and the artifacts and the points of interest in Riel House will be very much on display through the self-guided visits.

[Translation]

**Senator Chaput:** Honourable senators, aside from the number of visitors per year, did Parks Canada use other criteria to make this decision? Could the leader look into getting the list of criteria used by Parks Canada to make the decision to remove the personal interpretation service at Riel House?

[English]

**Senator LeBreton:** I am certainly happy to get more information for the honourable senator. I think all of us — I know I have — have taken tours of many of our museums and sites and have taken advantage of the self-guided tours. I find them actually more informative because I can go at my own pace.

[ Senator Chaput ]

With regard to Riel House, Parks Canada is committed and has been working closely with local groups such as the Manitoba Metis Federation. As they discuss the future possibilities for Riel House, the views of all stakeholders, including the Manitoba Metis Federation, will absolutely be taken into account going forward.

[Translation]

**Senator Chaput:** Since the leader is saying that the interested parties are working with the Manitoba Metis Federation, could she ensure that during this collaboration, the parties do not forget that services at Riel House must be provided in both of Canada's official languages? Could the leader intervene?

[English]

**Senator LeBreton:** Honourable senators, all national historic sites fall under Parks Canada and must adhere to the law of the land. The Official Languages Act is who we are and what we are all about. I am absolutely certain that all of the interpretation at all of our national historic sites, monuments and parks is presented to visitors in both of Canada's official languages.

[Translation]

**Senator Chaput:** I simply want to ensure that no one forgets during this whole process that what is special about Riel House is that Louis Riel was a francophone Metis, that he spoke French, that this is part of our history and that francophone Metis people contributed a great deal to the history of Manitoba. I just want to ensure that this is not forgotten when the stakeholders meet to reorganize the services provided at Riel House.

[English]

**Senator LeBreton:** Honourable senators, to me, that is a given. All of us who study Canadian history know of the importance of Louis Riel, and we all know that Louis Riel was a francophone. Parks Canada, a very well run organization, has a long history of service in both official languages. I cannot imagine a situation where visitors to Louis Riel House would not be provided services in the language of Louis Riel.

• (1430)

**Senator Chaput:** Honourable senators, hearing the leader say that it is a given makes me happy. However, I can assure her that it is never a given to us. We are a minority in a majority situation. We need to remember where we come from. We need to remember that there are two official languages and that both have equal rights.

**Senator LeBreton:** Senator Chaput will not get any argument from me on that, honourable senators. I have spoken in this place many times about linguistic duality, the importance of the Official Languages Act and the work that all levels of government do to ensure that our linguistic duality is not only recognized but practised and that all provisions of the Official Languages Act are strictly adhered to.



## ORDER PAPER QUESTION

### STATUS OF RESPONSE TO QUESTION NO. 8

**Hon. Catherine S. Callbeck:** Honourable senators, my question is for the Leader of the Government in the Senate. When can I expect an answer to Question No. 8 that I placed on the Order Paper on June 7, 2011?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, Senator Callbeck asked that question the other day with regard to Question Nos. 8 and 9 on the Order Paper. That very day we had tabled the answer to Question No. 9.

As a result of the senator's inquiry of my colleague Senator Carignan the other day, I asked my office to ascertain when we may expect an answer to Question No. 8.

## NATIONAL DEFENCE

### IMPACT OF BUDGET CUTBACKS

**Hon. Roméo Antonius Dallaire:** Honourable senators, I am experiencing déjà vu as I look at the impact of budgetary changes on the Department of National Defence and the Canadian Forces.

In 1987, under the Mulroney government, Perrin Beatty produced a white paper proposing bridging the capability commitment gap. At that time, the capital program for the army was \$18.3 billion over 15 years. However, within two years of announcing that white paper, it was defunct because Mr. Wilson got involved. As an example, the capital budget for the army was cut to \$6.8 billion, essentially gutting the white paper.

Combining last year's strategic review and this year's budget amounts to approximately an 11 per cent cut at National Defence. However, it is more than that because, due to the wage freeze, National Defence has to absorb all the contractual wage increases for civilians and military promotions. That will move it easily to 13 per cent, if not 14 per cent.

In operations, if we take 10 per cent casualties, we pull back, regroup and redevelop the plan. With a 14 per cent cut at National Defence, can Canada First actually be used as a reference any more, or might the government pull back, rethink that concept and move forward with something new?

**Hon. Marjory LeBreton (Leader of the Government):** I thank the honourable senator for the question. I was around 25 years ago when Perrin Beatty put forward his white paper. Twenty-five years is a long time and a lot of things have happened since then.

The senator asked me this same question a week or so ago, so my answer will have to be the same. We have made unprecedented investments in the Canadian Forces. Since we took office, the defence budget has grown by an average of \$1 billion a year.

Over the past two years, National Defence has examined ways to implement cost-saving measures to ensure efficiency and effectiveness. Combined with the end of the combat mission

in Afghanistan, National Defence is now able to return to a more normal pace of operations. Over the coming weeks and months, departments will be informing unions and employees about specific changes that will be made in line with the budgetary savings, in which all departments are participating. Decisions specifically with regard to National Defence will be communicated to the employees and the union members of National Defence accordingly.

**Senator Dallaire:** Honourable senators, I always like to hear about creating efficiencies. One of the phrases to describe what is going on right now in National Defence is "doing less with less, but not sure what to do." That is because with these cuts they will protect the capital program and the personnel program, but they will absorb the cuts in the O&M, that is, operations, training, maintenance of equipment, and the like.

Talking about efficiencies, we are keeping 68,000 regulars and 27,000 reservists. However, the institution that educates the officer corps and instills the ethos of the officer corps, which is the Royal Military College, from which our flag originated, has been ordered to cut its academic staff by one third at a time when there has been an increasing recognition of higher levels of education, competency and intellectual rigour in the officer corps. How does that fit with efficiencies?

**Senator LeBreton:** Every department of government, including National Defence, was asked to find savings and efficiencies of between 5 and 10 per cent. The Deputy Minister of National Defence and the Chief of the Defence Staff are charged with running the Department of National Defence. They are the ones who came to the table with possible savings and efficiencies. Obviously, they would not be making recommendations for savings if they believed that the core mandate and the important work of National Defence would be harmed in any way or that they would be unable to carry forward with their mandate.

Senator Dallaire talks about the Royal Military College in Kingston. I must remind honourable senators that it was his government that shut down the college in Saint-Jean.

Having said that, I think we should trust the Chief of the Defence Staff and the military personnel responsible for our men and women in the army, navy and air force, and we should trust the Deputy Minister of National Defence, for they are the ones charged with laying out their plans for the government. Obviously, they would not lay out plans that would not allow them to carry out the very important mandate of the Department of National Defence.

• (1440)

**Senator Dallaire:** Honourable senators, I am glad that we spoke about history because, in fact, the closing of CMR goes back nearly 20 years. In the leader's own words, "we have evolved since then."

RMC is going down the same road that we did at that time, but at that time we cut one third of the forces so there was a link there. However, now we are keeping the forces at the same level. We are in a far more demanding and complex scenario than in

those days and we need even more of an education capability. Yet, we are cutting right into the core of that capability of the future of the officer corps.

The leader is saying that the government was mandated to find savings and efficiencies. I think those are the nice words that we call “Ottawaese,” because they were ordered to cut. They had to meet cuts, so they cut things. I have no problem cutting, as an example, \$500 million on contractor services; that is an interesting cut. Why cut one third of the capability of a fundamental institution of the future of the officer corps and its ability to advise civilian staff and to command those troops for a savings of \$4.5 million?

Can the leader not acknowledge that this might be an area that should be revisited by the forces in regard to cutting its future to save a few dollars today?

**Senator LeBreton:** Honourable senators, I am very certain that they will be interested to have the honourable senator’s suggestion. As he pointed out at the beginning, the honourable senator asked me similar questions a week or so ago and I responded much as I did today. If my memory serves me correctly, I also indicated to the honourable senator that I would refer his question to the Department of National Defence for a written response. I would suggest that perhaps we wait until we get that response to see what the departmental officials come up with as to where they will find these savings. I am absolutely certain that they will find them without compromising the important mandate of the Department of National Defence.

**Senator Dallaire:** My questions are different, honourable senators. They are in the same subject area, but they are more specific. I hope the minister will take note with respect to the responses. Maybe I am being a bit impatient with the responses, because they take a long time to come and things are moving quickly. People are being fired and we are still trying to figure out what is actually happening.

What I did not ask previously and what I am asking today is this: With this significant shifting of the funding of the forces of National Defence, which is sort of a mini-demobilization exercise going on — “transformation” is an interesting term, but it is actually demobilization — is the government reassessing the policy framework by which it will now operate this reduced capability of the forces into the future?

**Senator LeBreton:** I will certainly be happy to pass that on, honourable senators, but, again, the mandate of the Department of National Defence has changed; we are no longer in combat in Afghanistan. They have an opportunity now to properly assess their mandate going forward.

I will be happy to add that extra little bit of information that the honourable senator requires to the answer that I am seeking from the Department of National Defence on his behalf.

**Senator Dallaire:** It is not a little question; it is a significant question. I hope the leader takes it under that advisement.

As an example, with the capital program and the personnel program being protected, and with operations and maintenance being cut, it is true that we have pulled back from

Afghanistan. However, the significant use of equipment at a high or higher rate than ever anticipated over the normal lifespan of that equipment is calling for a significant increase in O&M; that is to say, repair, spare parts and being able to rebuild much of that equipment. Yet, that is exactly the place where National Defence said it will absorb most of the cuts. That is why I believe that there is a requirement to understand the logic of maybe putting them in a situation that is not particularly tenable, should something happen on the horizon. That is why I request that specific information.

**Senator LeBreton:** Honourable senators, I was not intending to demean the question; it was an additional question. Of course, all questions and all matters with regard to the Department of National Defence are significant. They are significantly important to our country. They significantly represented Canada in Afghanistan. There is not a Canadian, I believe, who would for one moment not say very clearly that they believe that the Department of National Defence and our soldiers, sailors and airmen and women make a significant contribution to Canada.

[Translation]

## DELAYED ANSWER TO ORAL QUESTION

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table the response to an oral question raised by Senator Dyck on May 10, 2012, concerning the Poundmaker First Nation.

### ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

#### POUNDMAKER FIRST NATION

*(Response to question raised by Hon. Lillian Eva Dyck on May 10, 2012)*

1. The charges the Honourable Senator references in her question stem from theft and fraud involving the First Nation’s Treaty Land Entitlement trust fund. The administration of these funds is guided by the agreement ratified by the First Nation’s members when they vote to accept the settlement package. Once compensation funds are provided to the First Nation, Aboriginal Affairs and Northern Development Canada does not play a role, nor has it any authority, in monitoring and ensuring that the management and expenditure of funds are being made in compliance with the agreement. To this end, an independent group of trustees is named to manage the money, with the Chief and Council making decisions on how it will be spent.

As a matter of business, the Department will ask that bottom-line financial information on own-source revenue be included in the First Nation’s consolidated audit, which is provided to the Department annually. The First Nation also shares this information with its membership to provide a complete financial picture. Detailed financial information from trusts and band-owned businesses is not required to be submitted.

Allegations that the Chief and Council are engaging in criminal activities related to these funds must be addressed to relevant law enforcement bodies, which have the authority and tools to conduct thorough investigations, as was the case in the Poundmaker First Nation. The outcome in this case, that is the laying of charges and the guilty pleas by individuals involved, indicates that the mechanisms in place are indeed effective.

2. As the Poundmaker First Nation chooses its leaders under its own community election code, and not under those provided in the *Indian Act*, the Department has no role to play in ensuring compliance with these rules. Court decisions have made it clear that the Department has no role in ensuring or monitoring compliance with a community's election code. Furthermore, it has limited authority to intervene to resolve issues arising from these rules. The Department's role is limited to recording the results of elections and by-elections, as well as recording vacancies on the Council, as these events are reported by the First Nation. However, the Department will intervene if the delivery of essential programs and services to members is jeopardized.

The guilty pleas were entered shortly before the term of office of the First Nation Council was set to expire. No notice was provided to the Department by the First Nation indicating that the individuals who had pled guilty to the charges of theft and fraud had been removed from office. Since the Department does not ensure compliance with a community's election rules, in the absence of this notice, no action could be taken to record a vacancy.

A general election was held in the First Nation on May 18, 2012. We are informed that two individuals who pled guilty have been re-elected. The electors of the Poundmaker First Nation have expressed their ongoing support for these individuals at the ballot box.

3. Court decisions have made it clear that the Department has no role in ensuring or monitoring compliance with a community's election code. Some of the tools, such as mediation and arbitration, are options First Nations may consider when a governance dispute arises. In the past, the Department has offered to support mediation if parties accept. However, mediation will only lead to a lasting resolution if the parties agree to abide by the recommendations of the mediator.

A case in point involves the long-standing dispute in the Algonquins of Barriere Lake First Nation. The Department facilitated and supported the appointment of a federal court judge to mediate between the parties in dispute.

4. The Department remains available, upon request, to support the First Nation in reviewing its governance practices. Nonetheless, the best approach to resolving a governance dispute is to encourage First Nations to reach their own resolution with minimal intervention. The exercise of a statutory power requiring the holding of an election, either under the *Indian Act* or perhaps in the future under the proposed First Nations Elections Act, remains an option of last resort.

Clause 3(1)(b) of Bill S-6 allows the Minister to order that a First Nation hold its elections under the proposed First Nations Elections Act if a protracted leadership dispute has significantly compromised the governance of that First Nation. The type of disputes that would qualify under this wording are those that drag on for many years where parties are, after multiple efforts, unable or unwilling to end their dispute, and where service delivery and the health and well-being of community members are jeopardized. A similar power, provided for under section 74 of the *Indian Act*, has only been exercised three times for the purposes of solving a governance dispute, and was done so when all reasonable efforts to solve the dispute had been exhausted, which in some cases included court actions. The governance dispute in the Poundmaker First Nation does not exhibit the same conditions that moved the Minister to exercise the statutory authority in the cases that he did.

5. The Department does not turn down requests for assistance in solving governance disputes. In the past, the Department has offered to assist First Nations in reviewing governance practices and offered to support mediation. Departmental officials have even travelled to the community to meet with the parties in the dispute in an attempt to broker a lasting resolution.

Other than the power provided under the *Indian Act* to order an election under the Act, or, a future potential power provided by Bill S-6, the Department has no role in governance and election disputes in First Nations which hold their elections under their own community election codes. The courts have made this clear.

However, if the delivery of essential programs and services to the community is jeopardized because of the governance dispute, the Department will intervene to ensure continued delivery.

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## ORDERS OF THE DAY

### BUSINESS OF THE SENATE

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, pursuant to rule 27(1), I would like to inform the Senate that when we proceed to Government Business, the Senate will address the items in the following order: Bill C-11, Motion No. 46, Bill C-38 and Inquiry No. 3.

[English]

### COPYRIGHT ACT

BILL TO AMEND—THIRD READING—  
DEBATE ADJOURNED

**Hon. Stephen Greene** moved third reading of Bill C-11, An Act to amend the Copyright Act.

He said: Honourable senators, I am pleased to have the opportunity to speak today in support of the copyright modernization act, Bill C-11. This bill will update Canada's copyright regime, help us face the new environment created by the digital age, and strengthen Canada's ability to compete in the global economy.

Let me remind you, honourable senators, that this is the first time in over 15 years that the Senate has had the opportunity to review this important piece of legislation. It is our privilege and responsibility to shepherd the modernization of copyright through this important milestone. It is a responsibility we have taken very seriously.

Intellectual property law is complicated and updating it is a balancing act. This bill achieves the right balance.

The bill before us today is the result of extensive consultations. During these consultations many perspectives were heard, from Canadians who created copyrighted content to Canadians who access and use copyrighted content.

This bill has received extensive consideration by parliamentarians at two stand-alone legislative committees and it was studied by our Standing Senate Committee on Banking, Trade and Commerce. Much testimony has been given by witnesses and over 8,000 submissions have been received. As a result, the copyright modernization bill strikes the right balance.

This bill will allow Canada to catch up to international standards by implementing at last the World Intellectual Property Organization Internet Treaties of 1996. It will protect the interests of consumers, artists and creators. It will help protect and create jobs, stimulate the economy, and help attract new investment to Canada.

As we have heard from witnesses, copyright infringement, or piracy, takes revenues away from creators and reduces the incentive to create. The copyright modernization bill addresses this issue by introducing new tools to tackle online piracy. This will improve the ability of copyright owners to control the use of their works online and fight copyright infringement. These are important tools to protect the investments of Canadian businesses and creators.

This legislation also takes a firm stand on the importance of education and innovation. Bill C-11 promotes creativity and innovation by providing new and expanded exceptions for education purposes and exceptions to promote innovation in the computer software industry.

• (1450)

Bill C-11 offers benefits to Canadians from all walks of life who make use of copyrighted content. This includes those who use copyrighted content to create new works, those who use copyrighted content to innovate, and those use copyrighted content for their own personal enjoyment.

To conclude, I would like to take this opportunity to thank all the witnesses who have testified and all of my honourable colleagues, both Liberals and Conservatives, who have taken the

time to study this important piece of legislation, while also giving due consideration to the critical need to move forward in updating Canada's copyright laws.

Bill C-11 will allow us to adapt to the constantly evolving technological world. The built-in, automatic five-year review process will ensure that our copyright regime remains relevant well into the future.

Technology has changed our lives. It has affected how we work, play and live. It is time that our legislation catches up with all of these changes. We owe it to all Canadians to bring Canadian copyright laws into the 21st century.

I urge all my honourable colleagues to join me in supporting the proposed Copyright Modernization Act.

**Hon. Wilfred P. Moore:** Honourable senators, I rise today to speak at third reading stage of Bill C-11, An Act to amend the Copyright Act. I would first like to commend our Standing Senate Committee on Banking, Trade and Commerce for hearing from so many witnesses in such a short period of time. The staff of the committee did a wonderful job in such a compressed period of time. I would also like to thank the witnesses who appeared. Their testimony was enlightening; their presentations were well prepared and thoughtful; and all used their time to express some very important points.

Let me begin my speech by quoting that famous Canadian writer, the late Gabrielle Roy, who said:

[*Translation*]

Could we ever know each other in the slightest without the arts?

[*English*]

Madame Roy has set out for us the creative and cultural foundation of our vibrant civil society — the arts then, the arts now, the arts forever.

Honourable senators, at second reading I stated in my remarks that the government has dealt with a very difficult subject. Those sentiments remain the same. We like some parts of the bill, but, we do not like some other parts. We feel that the witnesses we heard pointed out the same concerns we had going into the hearings. Today, Liberal senators believe that this bill can be fixed. We can make the necessary amendments, which will achieve the stated objectives of this bill as defined by the government. They are: first, modernizing the Copyright Act so that it is up to date with new technologies and international standards; second, striking a balance between creator and consumer; third, ensuring that the copyright law is flexible, that it will help protect and create jobs, and attract investment to Canada; and, fourth, creating an environment of technological neutrality, so that the law is more adaptable to ever-evolving technological advancements while still ensuring appropriate protections.

Honourable senators, I would like to speak to the problem of ephemeral rights, which will be removed should this bill pass as is. As I stated in my speech at second reading, since 1997 the Copyright Act has had an exemption which allows for ephemeral copies to be made by radio stations without paying royalties, so

long as the copies are destroyed within 30 days. That was an important exception. However, if a collective existed which could license the creators' rights with the radio station, then the royalty exception would not apply.

According to the Canadian Music Publishers Association, the CMPA, this right to collect royalties amounts to about \$21 million per year. That is a very large sum of money for creators. CMPA has stated that the regime, as it exists, has been an important source of compensation for artists. The formation of collectives has been encouraged and has grown to the benefit of these creators. However, under Bill C-11 there would no longer exist a royalty payout by radio stations to these collectives, so long as radio station destroyed the ephemeral copy after a 30-day period.

When asked about this direct loss of revenue for the creator, the Minister of Heritage said this:

It was not an easy decision. It was one of those issues that falls under the headline of "balance." We tried to gain balance. With respect to ephemeral rights, I know there are a lot of organizations, particularly music publishers and Music Canada and others, who were quite upset with that part of the bill.

The minister has this right, people are upset. They do not want their hard work being handed to a radio station for free. What artist would turn down a royalty which has existed since 1997? What government would take money out of their pockets and give it to private companies for no charge? This does not strike a balance. Furthermore, it does not meet the government's stated objectives of the bill, namely "to strike a balance between creators and consumers." To not pay royalties to a creator is not a balanced approach.

Furthermore, honourable senators, the minister stated that the local radio station was a major concern in putting an end to ephemeral rights for artists. He stated:

However, on the other hand, there were local radio stations that were very pleased by the fact that they are paying this and it would help them, many of whom are in difficult circumstances to stay on the air. It was a question of balance.

Honourable senators, according to the ownership information provided by the Canadian Radio-television and Telecommunications Commission, all radio stations in Canada are owned by only 37 owners. Most of those owners are large corporations who own many radio stations. There are very few local radio stations owned by individual owners.

Hence, the facts do not bear up or justify that concern or position. It is clear that the compensation paid to creators for ephemeral rights does not jeopardize the bottom line of local radio stations. Under this bill, the winners are big corporations and the losers are our creators. We have an opportunity to restore the ephemeral rights and we should do so.

Honourable senators, I would like to turn my attention to the provisions dealing with technological protection measures, or TPMs, commonly referred to as digital locks. My second reading speech highlighted the concerns we have regarding these provisions. To summarize, this bill has an exemption for people with disabilities to circumvent the digital lock, but it outlaws the tools necessary to do so. For example, this provision will have the effect of a blind person being fined up to \$5,000 for purchasing and using the tool necessary for him or her to take advantage of that exemption. This simply does not make sense. Again, this simple example demonstrates how the digital lock provision trumps the right of the consumer.

We heard from the Canadian National Institute for the Blind which stated:

CNIB provides alternative format reading materials and specialized library services to Canadians living with print disabilities.

An estimated 10 per cent of Canadians have a print disability — blind, learning disability or the inability to hold a book — for whom the access to information in an alternative format is the basis for education, employment, recreational reading and social inclusion.

That is a large segment of Canadian society which relies on alternative formats for reading. These formats are provided by the library at the CNIB. It was expressed to us that there is a great concern that the digital lock provision in this bill trumps the ability of the CNIB to provide that alternate format. The CNIB stated that they would like to see new wording which clarifies the issue, and they suggest the wording that states:

That it is not an infringement of copyright for a person at the request of a person with perceptual disability or for a non-profit organization acting for the benefit of a person with a perceptual disability to circumvent a TPM for the sole purpose of making the work perceptible.

The same applies to a mother who would like to move a DVD to her iPad. She would have to break the digital lock to do so, again, resulting in a fine of up to \$5,000. She has already purchased a copy legally; she just wants to shift formats.

As I stated at second reading, there is room for common sense here. We need to correct this situation. We need to make sure that digital lock provisions do not trump the rights of the user in these cases. No legislation approved by the Parliament of Canada should bar the disabled from taking their full part in Canadian society. That would be wrong.

Once again, the stated objectives of the government are not met, namely number 4, which states:

Create an environment of technological neutrality, so that the law is more adaptable to ever-evolving technological advancements while still ensuring appropriate protections.

• (1500)

What I have heard from this government over and over again is that jobs and the economy are paramount. If that mantra is to hold true, how can Bill C-11 possibly measure up? We have heard several witnesses testify that this legislation will cause their businesses to shut down. One must wonder how closing Canadian businesses adds to the economy or creates jobs.

Our committee heard testimony by representatives of the Visual Education Centre, a collective so designated by the Copyright Board, which provides cinematographic works to schools in the K to 12 and post-secondary education markets and has been doing since the 1960s. What we heard was that section 29 of this bill will kill the industry and thus their company.

They said:

The legislation before you proposes to provide our assets, and those of our industry, for free to the educational community. Without consultation and consideration of the negative financial impact, this government has decided that our private property rights, the assets of our company and of the creators we represent are now to be given to schools at no cost and without any compensation to our business or that of our producers.

Honourable senators, we are here to make sure that bills do not have such consequences for Canadians, intended or otherwise. We are here to correct these bills and prevent such terrible consequences from occurring.

The industry we are talking about is valued at \$50 million per year and employs some 8,000 Canadians. This is a travesty, and it should not happen on our watch. We have the power in this chamber to correct this wrong and make it right. The question is, will we muster the strength and numbers to do it?

The Visual Educational Centre has provided the solution, an amendment that would do the following:

... preserve our industry and the Canadians employed by it, provide access for schools to copyrighted material without fear of infringement for materials that are not commercially available, provide clarity for Internet use for teachers who will have access to a wider variety of audio-visual materials for teaching purposes, and sustain thousands of jobs and the \$50 million to the economy this industry generates.

At the very least, they ask that we delay this bill to allow for a consultation that will come to a satisfactory conclusion for all.

Yesterday, the Association acadienne des artistes professionnels du Nouveau-Brunswick called upon the Senate to take a closer look at this bill. Further, and this is interesting, the Government of China yesterday decided to step back and re-examine its proposed copyright law amendments out of concern expressed by Chinese artists and lawmakers. Surely we are capable of this.

Once again, this bill fails the government's objectives in point two, which seeks "to strike a balance between creator and consumer," and in point three, "to ensure that copyright law is flexible, that it will help protect and create jobs and attract investment in Canada."

There is no protection of jobs as a result of this bill, and there is no balance between creator and consumer. We heard from Access Copyright on the education exception in fair dealing as well. They stated:

When education was added to fair dealing, creators and publishers, Access Copyright and others came before the legislative committee and then the Senate raising concerns about the consequence of adding education to fair dealing; concerns about existing and future business models; concerns about licensing revenues disappearing; concerns about primary sales being reduced and investments being challenged; and concerns about increased litigation.

They went on to say:

Our stakeholders in the education sector, on the other hand, came before the legislative committee and the Senate and said that they will continue paying for licences and they will continue paying for books, as they have always in the past, insinuating that we were grossly exaggerating the negative impact of adding education to fair dealing.

An agreement on a new copyright regime with the Association of Universities and Colleges of Canada was reached just last month. Access Copyright assumed that individual universities would begin to sign on to the new deal. However, they soon realized the opposite would happen. Many of the education stakeholders began to urge that the new copyright agreement with Access Copyright not be signed.

Groups such as the Atlantic Provinces Library Association and the University of Windsor have come out against the agreement with Access Copyright. We were told by Ms. Roanie Levy, general counsel of Access Copyright, that with a fair dealing exception for education in Bill C-11, many educational groups are looking to the exemption as a means of not paying the creators for their proper compensation. Ms. Levy stated on Wednesday:

Adding education to fair dealing is having an impact today on the ability of creators and publishers to continue to be paid for the uses of their work. We urge the Senate committee to consider including in its report back to the Senate an observation that "fair dealing" should be clarified so that the government's stated intention, the intention that was expressed by the government in its backgrounders, namely that fair dealing not prejudice the legitimate interests of the copyright owner or have a negative impact on the market, be actually clarified.

Publishers and creators are not happy with this development. Obviously, once again we see that Bill C-11 does not fulfill its stated objectives, namely, that a balance be struck between creators and consumers. Where is the balance when a consequence of this bill is that creators are not paid for their work?

On Tuesday, department officials would not guarantee that creators would be fairly compensated under the new education exemption. That bothers me deeply.

[ Senator Moore ]

Honourable senators, we have the ability to set this straight today. We must urge the government to clear up what is meant on the education exemption before the courts again are forced to decide and not the legislators. It is one thing to say that fair dealing is described with the six factors set out in the decision of the Supreme Court of Canada in the *CCH* case. Honourable senators should be aware that it took 11 years, from 1993 to 2004, for that case to wind its way through the courts.

Let us not put our creators in the position of expending their time and their limited resources in such legal actions to protect their intellectual property rights and to seek the compensation due to them. It is unnecessary and unfair to put our creators in such a position, particularly when the parties on the other side of such legal actions are usually corporations or entities with deep financial pockets.

That, coupled with the nominal financial penalty available to a successful creator plaintiff, in practical terms, substantially reduces the incentive and likelihood of a creator to bring an action to protect his or her intellectual property rights and to seek compensation due. Once again, big business will trump the little guy, in this case, our creators, those who are the very heart and soul of the cultural and knowledge elements of our society. This clearly is an upside-down policy that will do nothing to encourage and foster the creative arts in Canada.

The real nefarious aspect of this bill is that the monetary deterrent for infringement of intellectual property rights has been reduced to the point of no impact. The previous \$25,000 fine has been reduced to a fine of a maximum of \$5,000. What are we to read into that? Does that mean that this government has lowered its appreciation of the value of the works of our creators by 400 per cent, or does it mean that the government has lowered its valuation of the intellectual property of our creators by 400 per cent? Practically speaking, it looks like the government has declared an open season on the works and intellectual property rights of our creators.

We have been assured over and over again that this bill seeks to achieve a balance between users or customers and the creators, and we know that Canada has been viewed by its main trading partners as a piracy haven for intellectual property thieves. With that clear message of the loss of billions of dollars in intellectual property value, the government was moved to bring in this bill. Yet, by its own actions in the provisions of this bill, the government has undermined the value of the works and rights of our creators. If the matter of the use, licensing and protection of intellectual property rights is a valuable sector of our economy, why then is that same priority and value not attached to the very works and rights that underpin the whole sector? Frankly, I do not understand the approach or logic of the Harper government in that regard. Clearly, it is something we must fix. The regulations that will be attendant to this bill provide the opportunity to make that correction.

Rogers Communications raised a concern about Internet service providers and their shelter from liability under the hosting provided in proposed section 31.1(4). Rogers was adamant that the bill should be amended to provide clarity and certainty for them and other businesses involved in that sector, and they brought forward such an amendment.

• (1510)

On Tuesday, our committee was given a guarantee by department officials that such an amendment is not required. I quote that official response:

Our view is that it is not necessary. In fact, the clarity they are seeking is already in the bill as it has been prepared. Hence, there is no requirement to make additional changes to add additional clarity to it. It is clear.

I believe it is important to have this response on record in this chamber in the event that this issue goes before the courts.

Honourable senators, we understand that the issue of copyright is a complex and controversial one, and we appreciate the need to update the Copyright Act, both domestically and internationally, but Liberal senators in this chamber believe there are problems with this legislation that will harm both creators and consumers. We feel that with several amendments we can fix the problems.

We have heard from witnesses who expressed valid concerns with Bill C-11. They do not feel in their cases that the government has struck a balance between stakeholders, which is the goal of this legislation. I believe we should fix it today so that our courts are not forced to do our jobs for us. After all, that is the duty with which we are charged.

#### MOTION IN AMENDMENT

**Hon. Wilfred P. Moore:** Therefore, honourable senators, I move, seconded by the Honourable Senator Dawson:

That Bill C-11 be not now read a third time, but that it be amended:

(a) in clause 27, on page 23,

(i) by replacing lines 25 to 29 with the following:

“convenient time.”,

(ii) by deleting lines 33 to 37, and

(iii) by replacing line 41 with the following:

“students who are enrolled in the course to which the lesson relates;”;

(b) by relettering paragraphs 30.01(6)(b) to (d) on pages 23 and 24 as paragraphs 30.01(6)(a) to (c) and changing all related cross-references accordingly;

(c) in clause 34, on page 36, by replacing line 26 with the following:

“tained and may not subsequently reproduce the same sound recording, or performer’s performance or work embodied in the sound recording, unless the copyright owner authorizes further reproductions to be made.”; and

(d) in clause 47,

(i) on page 45,

(A) by replacing line 17 with the following:

“the technological protection measure, for any infringing purpose, unless”, and

(B) by replacing line 25 with the following:

“measure for any infringing purpose.”,

(ii) on page 51, by replacing lines 33 to 35 with the following:

“subsection.”, and

(iii) on page 58, by replacing lines 10 and 11 with the following:

“regulation, increase or decrease the maximum amount of statutory damages set”.

**The Hon. the Speaker *pro tempore*:** It has been moved by the Honourable Senator Moore, seconded by the Honourable Senator Dawson, that Bill C-11 be not now read a third time but that it be amended — shall I dispense?

**Hon. Senators:** Dispense.

**The Hon. the Speaker *pro tempore*:** On debate on the amendment?

**Hon. Dennis Dawson:** Can I take the adjournment in my name?

**The Hon. the Speaker *pro tempore*:** It has been moved by the Honourable Senator Dawson, seconded by the Honourable Senator Moore, that further debate on this matter be adjourned until the next sitting of the Senate.

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

**Some Hon. Senators:** Yes.

**Some Hon. Senators:** No.

**The Hon. the Speaker *pro tempore*:** Those in favour of the motion will please say “yea.”

**Some Hon. Senators:** Yea.

**The Hon. the Speaker *pro tempore*:** Those opposed to the motion will please say “nay.”

**Some Hon. Senators:** Nay.

[ Senator Moore ]

**The Hon. the Speaker *pro tempore*:** It is adjourned, on division.

(On motion of Senator Dawson, debate adjourned, on division.)

[*Translation*]

#### ALLOTMENT OF TIME FOR DEBATE— NOTICE OF MOTION

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, since we have been unable to reach an agreement with the Deputy Leader of the Opposition concerning the allotment of time for this debate, I give notice that, at the next sitting of the Senate, I will move:

That, pursuant to rule 39, not more than a further six hours of debate be allocated for consideration at third reading stage of Bill C-11, An Act to amend the Copyright Act;

That when debate comes to an end or when the time provided for the debate has expired, the Speaker shall interrupt, if required, any proceedings then before the Senate and put forthwith and successively every question necessary to dispose of the third reading stage of the said Bill; and

That any recorded vote or votes on the said question shall be taken in accordance with rule 39(4).

#### JOBS, GROWTH AND LONG-TERM PROSPERITY BILL

#### ALLOTMENT OF TIME FOR DEBATE— MOTION ADOPTED

**Hon. Claude Carignan (Deputy Leader of the Government),** pursuant to notice of June 27, 2012, moved:

That, pursuant to rule 39, not more than a further six hours of debate be allocated for consideration at third reading stage of Bill C-38, An Act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures;

That when debate comes to an end or when the time provided for the debate has expired, the Speaker shall interrupt, if required, any proceedings then before the Senate and put forthwith and successively every question necessary to dispose of the third reading stage of the said Bill; and

That any recorded vote or votes on the said question shall be taken in accordance with rule 39(4).

He said: Honourable senators, we are nearing the end of a very busy and productive session. As senators, it is our job to carefully examine the various bills that come to us from the other place and those that originate in the Senate. A number of bills had been under consideration for quite some time and many witnesses had an opportunity to appear before the committees responsible for



examining those bills. Thus, when it came time for our final consideration, it was only natural that we should take steps to ratify them without any unnecessary delays.

We agreed to conduct a pre-study in order to allow an in-depth examination of Bill C-38. We even split up the bill into five separate parts so that each committee involved could hear from witnesses on the specific topics addressed in Bill C-38.

Honourable senators, the following six senatorial committees were called upon to examine this bill: the National Finance Committee; the Banking, Trade and Commerce Committee; the Transport and Communications Committee; the Energy, the Environment and Natural Resources Committee; the Social Affairs, Science and Technology Committee; and the National Security and Defence Committee. In total, honourable senators, these committees examined this bill for more than 75 hours and heard from 205 witnesses.

And those numbers refer to the Senate's examination alone, for let us not forget that this bill was also studied for over 120 hours in the other place.

Senators also have the opportunity to express their views at third reading of the bill in this chamber.

We showed good faith by agreeing to split this bill so that it could be studied by different committees, and all the committees were able to hear from all the witnesses they wanted.

Each committee completed the study of its portion of the bill without being pressured, and the National Finance Committee reported the bill without amendment.

In view of the opposition's refusal to cooperate and limit debate on Bill C-38 at third reading, I can only conclude that this is just a tactic on their part.

Canadians expect us to adopt the provisions vital to the Economic Action Plan without playing political games. Bill C-38, An Act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures, is an important bill that will protect and secure Canada's economic prosperity. It would be irresponsible towards all Canadians to unduly delay its passage.

• (1520)

For all these reasons, I move that, pursuant to rule 39, not more than a further six hours of debate be allocated for consideration at third reading stage of Bill C-38.

I call on honourable senators to unanimously support this motion.

**Hon. Pierrette Ringuette:** Honourable senators, the Honourable Senator Carignan clearly indicated in this chamber that never in the history of the Senate had a bill been split up so that six committees could examine its content.

Senator Carignan thus recognizes the scope of Bill C-38 and the abuse of power that it represents, since it amends 70 laws. This bill contains over 750 clauses and, as I said yesterday, it is clearly an abuse of power. I am convinced that this bill demonstrates a lack of courage on the part of the Prime Minister.

Honourable senators, the short title of Bill C-38 is the Jobs, Growth and Long-term Prosperity Act. This bill is an attack on Canadian workers, because the government has sent letters of dismissal to over 19,000 public servants. Rumour even has it that the number of letters issued will increase to 34,000 and that world-class Canadian scientists and researchers will be among those receiving them.

Honourable senators, this is an attack on Canadian workers.

[English]

It is an attack on Canadian workers and, more particularly, on the low-income workers of Canada, on the workers who, in the last six years, have gotten poorer and poorer. We are attacking these workers because we are telling them that they will have to work two more years in order to receive OAS. We are telling them that they now belong to three different categories.

[Translation]

We are telling them that they now belong to three different categories of employed or unemployed workers.

[English]

It is a particularly strong attack on seasonal businesses and on seasonal workers that are needed for these businesses through the changes in the regulation of Employment Insurance. Is the honourable senator trying to tell me that we can justify the title of this bill: jobs, growth and long-term prosperity?

Let me tell honourable senators about another attack on jobs and Canadians by this bill. Let us look at the modification with regard to cross-border shopping. It is estimated that the federal government, through these changes, will be losing \$17 million a year. However, let me remind all honourable senators that the federal government has an agreement with each of the provinces and territories with regard to the collection of HST at the border, at the entry level to Canada. Therefore, without even talking to the provincial premiers, the Minister of Finance of Canada has decided to reduce the Treasury Board income by \$17 million a year federally, but also, by the same token, remove approximately \$23 million yearly from provincial coffers to supply health care, education and home care — without even talking to the provinces.

Furthermore, this is an attack on Canadian workers because all these sales, estimated at a yearly \$340 million to Canadians abroad coming back to Canada, will not be made in Canada. The Retail Council of Canada estimates that they will be losing Canadian jobs to the tune of 11,000 per year — 11,000 workers in the retail sector, most of whom are working for minimum wage in local, rural communities that face the U.S. border.

Honourable senators, Bill C-38 is an attack on Canadian jobs. It is an attack on Canadian workers.

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

**Senator Ringuette:** Do not just take my word for it.

Marq Smith of Langley, B.C. says:

I don't understand it. The government is supposed to be in our corner, not encouraging people to go south to spend their money. And they're hurting themselves too, losing tax revenue. This doesn't help us as Canadians at all. I can't figure out the logic.

The Cornwall and Area Chamber of Commerce:

"By encouraging people to shop across the border, it literally takes money out of the pockets of business owners, their employees, and their families," said Shaver. "We are not sure how Mr. Lauzon came up with this idea or if he considered the impact it would have on our community."

Niagara Falls Chamber of Commerce:

This proposal will allow Canadians to spend even more money in the States, which means fewer dollars, more bankrupt shops, and more lost jobs for our citizens.

The Mayor of Killarney, Manitoba:

The only incentive for any Canadians in the last federal budget was, "hey, shop American." To me, there's no rationale behind that whatsoever. It means that we could potentially lose an additional \$150 per person in this community, per trip. How does this encourage the Canadian economy to grow?

Bruce McCormack, the General Manager of Downtown Fredericton:

... said he's already fielded calls from business owners who are upset by the change and how it will hurt their finances.

"This is a pretty big deal and we will be talking to our MP. I just think it's a shame that nobody was consulted," ...

Just by this measure, Bill C-38 is not only removing income from provinces to provide health services and education, it is also removing \$340 million from the Canadian economy. It is reducing, on a yearly basis — forever and ever until we have a change of government — 11,000 jobs in the retail sector.

• (1530)

The honourable senator is saying to us that we would be irresponsible if we did not adopt Bill C-38. We would be irresponsible if we did not support Canadian workers?

**The Hon. the Speaker *pro tempore*:** Honourable Senator Ringuette, I regret to inform you that your speaking time on this motion has expired.

**Senator Ringuette:** I would ask for five minutes more. I will ask for five days more but, at a minimum, five minutes.

**The Hon. the Speaker *pro tempore*:** Honourable senators, is five minutes granted?

**Hon. Senators:** Agreed.

**Senator Ringuette:** Thank you. Another very interesting issue in regard to Bill C-38 is the lack of consultation related to health care transfer to the provinces. The Prime Minister has announced, two years early, before the agreement was due, that the renewal would be at only 3 per cent instead of 6 per cent.

Honourable senators must remember also that we are facing a major demographic change in Canada. In front of our National Finance Committee we had a research group called the Canadian Institute for Health Information. They provided us with a graph of the effect of age in relation to the cost of health care. They researched all of that.

For instance, for most of the provinces in this country, except Alberta, the age of the population is increasingly older. The graph that we have before us indicates that at a regular sequence of four years there is a dramatic increase in health care costs for the provinces with the aging population. That means the federal government has a responsibility to sit down with provincial premiers and look at the demographics and the cost and understand that health care should not be based only on a per capita basis but should take into consideration the cost as per the demographics of Canada.

We also know that there is a link between the level of health care cost and the level of individual income. There is also a direct relationship.

Honourable senators, before deciding unilaterally, why did Mr. Harper say that the health care transfer would be reduced by half? Why did he not sit down with provincial premiers and seriously look at the demographics and the impact of those demographics in regard to health care costs?

The Constitution of Canada, in regard to equalization and regional disparity, says at section 36(1):

Without altering the legislative authority of Parliament or of the provincial legislatures, or the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the government of Canada and the provincial governments, are committed to

(a) promoting equal opportunities for the well-being of Canadians;

(b) furthering economic development to reduce disparity in opportunities; and

(c) providing essential public services of reasonable quality to all Canadians.

That is also based on fair taxation and the varying capabilities of all provinces.

Honourable senators, again, the Prime Minister of Canada lacks courage.

**The Hon. the Speaker *pro tempore*:** Further debate?

**Hon. Catherine S. Callbeck:** Honourable senators, I rise today to say a few words about the motion for time allocation to curtail debate on Bill C-38, the budget implementation bill.

As a member of the Standing Senate Committee on National Finance, I participated in most of the committee's examination of the legislation. I want to comment on the composition of the legislation as a whole.

As many honourable senators know, Bill C-38 is a massive piece of legislation. It comprises over 750 clauses, affects over 70 acts of Parliament and is roughly 429 pages long.

I am not the first to talk about the size of this legislation. Professor emeritus of political studies at Queen's University, Ned Franks, who is no stranger to the National Finance Committee, noted in 2010:

Between 1995 and 2000, budget implementation acts averaged 12 pages in length. From 2001 to 2008, they averaged 139 pages. In 2009, the two acts added up to 580 pages - 32 per cent of Parliament's legislative output that year.

Mr. Franks went on to say:

The 2010 Budget Implementation Act, Bill C-9, contains 883 pages of varied and unrelated legislative provisions. It could form close to half the pages of Parliament's legislative output for 2010. These omnibus budget implementation bills subvert and evade the normal principles of parliamentary review of legislation.

It appears that the Budget Implementation Act that we now have before us is cut of the same cloth. Once again we are being asked to curtail debate. This restriction on debate and consideration of the many items contained within this legislative smorgasbord has not been confined to the proceedings of this chamber and the other place.

There was a common thread among witnesses who appeared before the National Finance Committee, who expressed some frustration with the "kitchen sink" nature of the bill. I found roughly one quarter of the witnesses not representing a government department or agency expressed concern regarding the nature of the bill.

I want to put on record here for members of the Senate what some of these witnesses had to say. For example, on June 5, Andrew Jackson, the chief economist with the Canadian Labour Congress, noted:

We also regret the fact that there is not really a clear policy rationale for the changes that are being proposed, and we are forced to address them within a large omnibus bill.

• (1540)

Two days later at committee, Susan Eng, representing the Canadian Association of Retired Persons, or CARP, made the following remarks:

Finally, I would like to say a word on the democratic process. Our members reacted strongly against the bundling of the OAS changes within the omnibus bill, and they certainly want proper parliamentary debate for such an important issue, especially one that was never put before the electorate. CARP called on all MPs to support motions to separate the bill, splitting it into more manageable portions in order to allow for adequate deliberation. The Prime Minister himself once warned against the bundling of disparate issues into an omnibus bill because it was beyond the capacity of a single parliamentary committee to adequately consider all the dimensions of major public policy changes. Breaking up the bill, in the then opposition leader Mr. Harper's own words, would allow members to represent the views of constituents on each of the different components of the bill. We agree, and that logic should be applied to Bill C-38.

At the same time, Jim Stanford, an economist with the Canadian Auto Workers, shared the concerns of Ms. Eng as he went on to say:

First, I agree with the previous witness in that it is inappropriate to be discussing fundamental changes to a program this important within the context of a composite omnibus bill. The pension system is an enormously central pillar in an individual's life cycle, planning and decision-making, decisions that take decades to be implemented. Changes to that system have to be made cautiously, carefully and incrementally.

For example, we have the Canada Pension Plan system in Canada that is also very effective, but in order to change it, you have to go through a whole process of public discussion and consensus-building. You have to win the approval of provinces representing two thirds of the population before you change anything in the plan. You cannot just throw a couple of paragraphs into an omnibus piece of legislation and make a change on such short notice.

A week later, Erin Weir, an economist representing the United Steelworkers, advised the committee by commenting:

I do not see why this measure needs to be bound up with implementing the budget. There are a lot of things in Bill C-38 that actually are not necessary to implement the budget. I suppose that is the real question as to why the government has sort of tethered it all together and tried to ram it through.

The obvious question is: What does this government have to hide? Is the government afraid of a little healthy debate upon issues dealt with in this legislation that affect the lives of everyday Canadians? With the tactics being used by this government to sweep this massive legislation through Parliament, one would get the impression they think the bill is perfect as written, but this is

not the case. Even the Finance Minister hesitated when he was recently asked by the media if he thought the budget bill was flawless. In fact, the minister said:

I'm sure there are items in the bill that could be improved and made better.

If the Minister of Finance is convinced there are initiatives in this bill that can be improved, then I think it is our duty as Canadians to identify them and provide the assistance he admittedly needs.

To review, it is possible that this legislation contains between one third and one half of the legislative output this government will generate all year. This government has imposed time allocation at every possible stage during consideration of this bill in the other place and is attempting to do so here as well. When witnesses have been asked to express their views on the composition of this bill, many say it subverts the normal principles of parliamentary review. Moreover, many have expressed concerns the bill contains non-budget-related items, items worthy of substantial investigation by committees of both chambers as well as extensive consultation with Canadians. On top of all that, the Minister of Finance himself is uncertain that this bill was the best he could do in his service to Canadians.

Honourable senators, armed with all this evidence, I feel that I have no choice but to vote against this motion of time allocation.

**The Hon. the Speaker *pro tempore*:** Further debate?

[Translation]

**Hon. Fernand Robichaud:** Would the Honourable Senator Callbeck take a question?

[English]

**The Hon. the Speaker *pro tempore*:** Would the honourable senator accept a question?

**Senator Callbeck:** I would be happy to.

[Translation]

**Senator Robichaud:** I know that the honourable senator is a member of the National Finance Committee and that she examined this bill — not in its entirety because it is very long — but perhaps she can answer my question.

Some committees were charged with examining certain sections of this bill. How many committees produced written reports with comments so that the National Finance Committee did not have to examine the entire bill?

[English]

**Senator Callbeck:** I thank the honourable senator very much for the question. Six committees looked at this bill, including the Finance Committee. The chair and deputy chair of four of the other five committees came before us and were there for roughly half an hour to discuss their findings. For example, the Energy Committee's chair and deputy chair appeared for half an hour. I

do not know how many pages and clauses there are in this bill, but half an hour does not do it justice. I am saying that there are so many pieces in this legislation that should be stand-alone legislation. It is absolutely ridiculous.

Back in 1995 to 2000, these bills averaged 12 pages in length, and here we are trying to deal with a piece of legislation at 429 pages.

I do not feel that the bill was adequately studied; I really do not. Certainly it was better than in the other place because we had six committees study it, but I still think that a lot of this should be stand-alone legislation given to individual committees.

**The Hon. the Speaker *pro tempore*:** Did the Honourable Senator Cordy have a question?

**Hon. Jane Cordy:** Yes. Going back to the pre-study, I know in the Social Affairs Committee we looked at the immigration piece of the bill. I said every time we had witnesses that this immigration legislation should have been stand-alone legislation because it required a lot of in-depth discussion and study.

Our committee did not write a report. I understand that two Conservative members appeared before the Finance Committee to talk about what happened at our committee, and I also understand that we sent over all of the documentation we received and all the testimony we heard. Would the Finance Committee have time in studying a bill over 400 pages long to go over all of the testimony that all six other committees heard?

**The Hon. the Speaker *pro tempore*:** Before the Honourable Senator Callbeck begins her reply, I regret to inform her that her time has expired. Is the honourable senator prepared to ask the chamber for more time to answer the question?

**Senator Callbeck:** Yes.

**The Hon. the Speaker *pro tempore*:** Is more time granted, honourable senators?

**Hon. Senators:** Agreed.

• (1550)

**Senator Callbeck:** I thank the senator for the question. We are both members of the Social Affairs Committee, and I agree that that section should be stand-alone legislation. It is important, and it deserves to be given adequate study.

Two members from the committee appeared, both from the government side, the chair and one other member. They were there for approximately half an hour. I did not see any written report from that committee. As I said before, the Senate has not done justice to this massive piece of legislation, 429 pages that should be divided up into several pieces of stand-alone legislation.

**Hon. Robert W. Peterson:** Honourable senators, I rise to speak to amendments to Bill C-38 that impact charities, as well as to other recommendations that were not included in the budget but should be considered in the Senate committee.

[ Senator Callbeck ]

As some senators may be aware, Bill C-38 amends the Income Tax Act to clarify the reporting of gifts to qualified donees, specifically in cases where those gifts are used by the qualified donee to carry out political activity. The intent of the amendment is to ensure that when a registered charity provides funding to a qualified donee that is then used for political activity, the registered charity making the gift reports this as part of its own political activities.

To that end, the term “charitable purpose” will be amended, as will the definition of “political activity.” While these may not seem like drastic changes, I would like to echo the concerns raised by Imagine Canada, a charitable umbrella organization. The concern is that a strict interpretation of the definition of a political activity, particularly the use of the phrase “the purpose of the gift,” goes beyond the intention of the legislation’s policy goals.

To use an example provided by Imagine Canada, take the case of a registered charity making a gift of \$1 million to another charity with \$5,000 of that gift earmarked for political activity. Under one reading of the proposed definition, as political activity is a purpose of the \$1-million gift, the entire \$1-million gift would be considered political activity on the part of the foundation, even though only a small portion of it is to be used for political activity by the qualified donee. This discrepancy will no doubt constrain charitable activity.

Bill C-38 also introduces amendments that will require charities to provide more information on their political activities, including the extent to which they are funded by foreign sources. In consulting with various charitable experts, the intent of this measure does not appear to be to change the law regarding what constitutes political activity but, rather, the extent to which charities may fund the political activities of another qualified donee. However, it is anticipated that this will be very confusing for charities, which might be misinformed about the changes. This could further extend the advocacy chill that has been created by remarks made by members of the government. It is my hope that the government will devote a large portion of their CRA resources to clarifying these measures, ultimately allowing charitable advocacy to flourish.

Another change in Bill C-38 is a new requirement for charities in their T3010 tax form and how they are applied. A new set of questions will require more onerous reporting of political activities as well as questions related to financing. While a greater degree of transparency is welcome, it is my hope that reporting burdens will be kept to a minimum so as not to distract charities from their primary missions. New reporting mechanisms may be especially onerous for small and medium-sized firms, which may not have the expertise that larger charities have.

It is important to remember that new measures will add to the reporting burden, meaning added compliance and overhead costs. It is also my hope that the CRA will continue to consult with front-line organizations like Imagine Canada so that best practice procedures can be applied.

Again, I urge that a majority of the \$8 million set aside in the budget be used for providing information to charities. This will also help ensure that charities do not accidentally overstep their accepted charitable purposes.

While I have spoken about various impacts of the budget, I would also like to speak to recommendations that have been made in committee but not included in the budget.

Charities have three major sources of revenue: donations, earned income activities, and government grants and contributions. In light of recent global economic conditions impacting the Canadian economy, it is imperative that donations to charities be encouraged to the greatest extent possible. Not only do charities conduct excellent work related to service delivery and policy creation, but the charitable and non-profit sector also represents a sizable portion of the Canadian economy — around 11 per cent.

The budget noted that the House of Commons Standing Committee on Finance is studying current and proposed incentives for charitable giving to ensure that the tax incentives are as effective as possible. However, the budget did not include the stretch tax credit for charitable giving, a recommendation that has been made by 70 per cent of charities in their recommendations to the committee.

The stretch tax credit is a tax instrument that would increase the federal charitable tax credit on giving that exceeds a donor’s previous highest giving level. The tax credit would increase from 15 per cent to 25 per cent for eligible amounts below \$200 and from 29 per cent to 39 per cent for eligible amounts above \$200. This would encourage donations from those who have not given in the past, particularly younger families and those just starting their careers. I encourage the government to include this measure as an amendment to Bill C-38. Research shows that more than half of donors would increase their giving if there were better tax incentives.

The Parliamentary Budget Office estimates that after three years the incremental cost to the treasury in forgone revenue would be between \$10 million and \$40 million a year. The PBO estimates that within three years there would be up to 600,000 new donors and that median donations would increase by up to 26 per cent. A \$10,000 cap on eligibility would also be targeted toward individuals and families who donate cash and have not benefited from previous tax measures that encourage large gifts of assets. Because there is no floor on a stretch tax credit, even those who can afford only smaller donations would benefit. This would also be an extremely beneficial measure for smaller charities that rely on a large number of small donations.

Another measure that I would encourage be included is an instrument that is currently being explored by Human Resources and Skills Development Canada. The budget noted that HRSDC is currently exploring social financial instruments, and social impact bonds are cited as holding promise as a tool to further encourage the development of government-community partnerships. The budget also noted that HRSDC is modernizing the administration of grants and contributions and is testing ways to maximize the impact of federal spending. This would include pay-for-performance agreements and encouraging leveraging of private sector resources. These measures could have a positive long-term effect on the non-profit and charitable sectors.

Honourable senators, the goal of any policy should be to encourage, improve and facilitate, not to impede. It is my hope that the amendments I have highlighted and the measures I have

recommended will be studied in depth in Senate committee. These are all positive amendments upon which both sides of this chamber should be able to agree. Canadians of all walks of life would be better if politics were set aside for philanthropy.

By the way, I think time allocation is an affront to the democratic process of debate on legislation.

**Senator Cordy:** Will the honourable senator accept a question?

**Senator Peterson:** Yes.

**Senator Cordy:** I was quite concerned to read an article about an interview with a member of the other side about charitable status. In it, she referenced the United Church. I am Catholic, and my church certainly works a lot with people living in poverty, with those who are less fortunate, and with those in our parish who may need health care, which would be a provincial and federal responsibility.

• (1600)

A government member from the Senate said, indeed, that the United Church would be considered a charity. The honourable senator talked about the term “political activities” and spoke about what we would think of the stereotypes as charities, but those who belong to places of worship certainly would contribute to these places. How will places of worship be affected by this bill? Will they lose their charitable status?

**Senator Peterson:** I thank the honourable senator for the question. Therein lays the problem. It is the definition of the term “charitable purpose” and “political activity” that is the issue. It could be far-reaching.

Right now I would think that particularly church charities would be reticent. It is my understanding that the Canada Revenue Agency will provide these definitions. I hope they will do it quickly, so that people will understand where they are in the picture.

**Senator Cordy:** However, will it mean that church organizations, synagogues or any organized religious groups will not be able to advocate on behalf of the members of their church or their synagogue?

**Senator Peterson:** The way it sits right now, my understanding is yes, they would be, because they would be countering government policy.

[Translation]

**Hon. Dennis Dawson:** Honourable senators, I would like to begin by condemning the fact that the time for debate on this bill will be limited because of the government’s motion for time allocation.

Parliamentarians are supposed to debate the government’s proposed legislation. They are not supposed to rubber-stamp measures proposed by public servants or the executive. They are supposed to carefully consider the measures, talk about them, amend them, study them and ensure that taxpayers’ concerns have been fully expressed.

[ Senator Peterson ]

[English]

I do not often quote Jason Kenney — and I am borrowing the quote from my honourable deputy leader, Senator Tardif — but that is what I will be talking about today.

[Translation]

I would like to talk to you about the erosion of the legislative process in Parliament. At the risk of boring some honourable senators on both sides of the chamber, I want to point out that I have been participating in the legislative process for 35 years now. That sometimes bores me too. In June 1977, 35 years ago, I was sworn in as a member of Parliament.

[English]

Some honourable senators are bored of hearing me say that I was here 35 years ago; so am I sometimes. Nonetheless, allow me to point out that many of you who now sit in this chamber were here with me 35 years ago. On this side, whether it is Senator Fairbairn, Senator Smith, Senator De Bané, Senator Baker or Senator Joyal, we were here. On the other side, I have friends across the aisle who were here in one capacity or another, either as journalists or as advisers to political parties, namely, Senator Segal, Senator LeBreton, Senator Duffy and Senator Wallin. Senator MacDonald was a political assistant with the Conservative Party.

Let me clarify: I am not trying to be nostalgic. I am trying to raise this for the purpose of historical context and to talk about one of the most serious issues we face as lawmakers today: the drastic and unrelenting regression of Parliament as an institution of political discussion and improvement, and the weakening of our institution. Honourable senators, as you well know, on both sides, we used to amend legislation.

Honourable senators, 35 years ago everyone took for granted that the legislation would be written by the lawyers at the Department of Justice, in cooperation with the Department of Transport, expecting that, when it was sent to the House of Commons, sent to the committees of the House of Commons, and then sent to the Senate and to committees of the Senate — and I am looking at my colleague from Quebec, Senator Rivest, who wrote legislation in Quebec — it would automatically be improved by that legislative study.

Honourable senators, we want the people who are concerned about a bill to give their opinion in order to improve it. The lawyers at Justice provided us with their best. They worked with department officials, but, nonetheless, they knew that the process of parliamentary democracy would require amending and improving their original drafts at all stages of the parliamentary process. This happened with minority and majority governments, under Conservative and Liberal governments.

There is no guilty side on this issue. We, as parliamentarians, should understand that if we do not assume our responsibility — and I know many honourable senators on both sides of the house are concerned with this subject — then we will become totally useless. If we do not make amendments, then why are we here? It is not only this chamber, however; trust me when I say that the other chamber is not doing a better job.

These people at Justice appeared with us in committees and, every time there was a step to be made to improve a bill, we would sit down with them in the legislative process and talk about how the bill could be amended. They would come back to us and write an amendment. We would do that all the time. It was quite natural. Hundreds of amendments were made in that way.

We did not present too many ominous bills in those days — and here I am talking about 35 years ago. For obvious reasons that we would not want to state today, we were proud to say that we passed 65 bills in one year. We were in a period where we thought that government had to get involved in everything. I do not propose to go back there, however, I do not think ominous bills are the solution. If we are supposed to be trading quantity for quality, trust me, this is not how we are coming out on this.

The bills we see going through these chambers have been getting progressively worse. This is not starting today, under the Conservative government; it was the same a few years ago under the Liberals. We are not taking into consideration what the stakeholders think, those outside of this place, outside of the Langevin Block and outside of the Justice Building. We were asking people to try to improve legislation. That is what we were supposed to do. I am sad to say that that is not what we are doing.

I have heard everyone here talk about the Liberal ominous bills. There is one basic difference between the Liberal ominous bills and the omnibus bills that we are passing these days: Our ominous bills were amendable. What a concept! The bill would be amendable. We would say, “Oh, my God, we have an improvement!”

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

**Senator Dawson:** We have found a flaw in the bill and we recognize the fact that it has to be fixed. People on both sides would sit down, in committee or in the chamber, or between the leadership, and say, “This bill needs improvements. Let us do it together.” That occurred with our omnibus bills.

[Translation]

In 2006, this government’s first omnibus bill, Bill C-2, the Federal Accountability Act, was amended significantly in both houses following in-depth study.

[English]

It was, by and large, the most important bill of the new Harper regime. He thought he was reinventing ethics. We all know how that turned out, but that is not the subject of my speech. Effectively, more than 150 amendments were presented — and I see here today some of the members of the committee at that time — by the Senate committee after there had been substantial amendments in the other chamber. These were sent to the House of Commons and what happened? They approved them. We must have been doing something right.

However, honourable senators, there must be something different today. As we talk today about Bill C-38, the people who write bills now and the people who work in the PMO are so good that they write them the first time — with 435 pages and

70 acts amended — and it goes through the system, from one end to the other, from the committees of the House of Commons to five subcommittees here in the Senate. We all find flaws. People on the other side know quite well there are flaws in these bills and say, “Well, we were told we cannot amend because it might delay the chamber and we might have to come back in July,” which is not a nice thing, as everyone knows.

The reality is that we are losing our *raison d’être* and that would be bad for both sides. I look at the house leader on the other side as I repeat that it would be bad for both sides if we did not understand that we are part of the process. If we do not act as part of the process, then we will be irrelevant. I do not believe this chamber is irrelevant. I have been involved in this process for 35 years. I believe in the parliamentary process. I have been involved as a member of Parliament, as an intervenor from the outside, and now as a senator. The chamber of sober second thought was not created for blind partisan reasons.

• (1610)

I would like to talk to those in the 8-year club, of which some honourable senators here are members. I am part of the 35-year club. If senators really want to be relevant, they have to understand it is imperative to tell their leadership that they must be heard and they must put in amendments that will be in consideration of the stakeholders, not in consideration of their party leadership, not in consideration of their own opinions, but in consideration of what the taxpayers pay us to be here to do, and that is to change bills to improve them, not to weaken them or create extra infrastructure.

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, here we are again. I rise to speak on yet another government guillotine motion, this time on the third reading of the massive ominous budget bill.

**Senator Cordy:** Is this a record?

**Senator Tardif:** It is a record.

Honourable senators, I am beginning to think that my colleague opposite, the Deputy Leader of the Government, must enjoy hearing my voice, since this is the third but I expect not final time in one week that he has obliged me to speak on a time allocation motion.

When the Deputy Leader of the Government rose to give his notice of time allocation yesterday on this budget bill — it is getting confusing, is it not, which time allocation motion we are talking about — he said that he had failed to reach an agreement with his counterpart on the other side. The agreement he sought to reach was to obtain a guarantee from me, as Deputy Leader of the Opposition, that the bill in question would be passed this week.

Honourable senators, I ask you the following: How could I deny my colleagues the opportunity to carefully study this bill and to speak on behalf of their regions? How could I agree to put a fundamentally unreasonable time limit on the debate of this massive and complex bill?

**Senator Cordy:** That would be undemocratic.

**Senator Tardif:** Exactly.

Based on my own convictions and those of senators in our caucus, I could not agree to such a request. This is why we are here today debating this motion. I am resigned to the reality that the use of time allocation is to become a regular tool for the government — the rule rather than the exception.

While I cannot expect to change the minds of the government leadership on this motion, I do hope that other senators opposite will carefully consider the motion that they are being asked to support today. The government has an assurance that this bill will eventually pass. It has a majority in this chamber, and any standing vote will turn out in its favour. It is only a matter of time.

Honourable senators, there is no malevolent, dilatory effort being undertaken here. Her Majesty's Loyal Opposition is not being obstructionist for pure obstruction's sake. Let us understand clearly what is being proposed here. The government gave notice of its intention to use this closure motion after just one day of third reading debate on an ominous bill of 429 pages, 753 clauses, which introduces, amends or repeals more than 70 federal statutes. If the Senate were to consider every clause of this bill, the time limit the government seeks to impose would allow for 47 seconds of total debate per clause.

The Standing Senate Committee on National Finance only tabled its report in the Senate the day before yesterday, with over 33 hours of testimony from witnesses, plus an additional 36.5 hours of testimony from the five additional Senate committees that considered portions of this massive bill. How can the Senate possibly be in a position to complete its examination by the end of this day? If a senator wanted to examine the transcripts from all of these hearings, he or she would have literally thousands of pages to read through.

Honourable senators, it is getting to be a habit with this government, ramming legislation through the Senate as if this chamber were nothing more than a rubber stamp. This bill is not the only one being pushed through at the last minute. Today we begin debate at third reading on Bill C-11, a bill that was first tabled in the House of Commons on September 29 of last year. In those nine months in the other place, a total of 25 sitting days were devoted to study of the bill. Now the government in the Senate wishes to see it disposed of in this place in a matter of a few days.

Bill C-23, the Canada-Jordan free trade agreement, was in the house on two separate occasions, in the Fortieth and Forty-first Parliaments. There were a total of 12 meetings and 40 witnesses and over 12 months devoted to consideration. Here in this place, we again see the government expecting that the bill be passed within a few days and only hearing one witness.

[Translation]

It is true that this government holds a majority, but a majority government does not mean a government that does not listen. The senators of the opposition have real concerns about this bill — a

bill that will have a real impact on the lives of all Canadians. Rather than using procedural manoeuvres to rush this bill through, the government should introduce a more convincing bill with a reasonable scope that might even receive some support from the opposition.

This type of mutual cooperation between the government and opposition benches in this chamber is not unusual. I like to think that senators from all parties take a certain pride in such cooperation.

I am not going to say anything more about this motion, because I believe that my remarks on the previous time allocation motions moved in this chamber in the past few days have made my position on this issue very clear.

Honourable senators, once again, I cannot support this time allocation motion.

[English]

**Hon. Lillian Eva Dyck:** Would the honourable senator take a question?

**Senator Tardif:** Yes.

**Senator Dyck:** In her position as deputy leader, the honourable senator has a great understanding of how things work within the Senate. I know that senators on the other side are always talking about Senate reform and a Triple-E Senate — elected, effective and equitable. We hear a lot about having elected senators and how that will make this a more effective chamber. How does time allocation make the chamber more effective? We seem to see this all the time. They are limiting debate. How does that affect our jobs as senators? How will we be more effective if we are not given the proper amount of time to debate? What are the honourable senator's views on that particular question?

**Senator Tardif:** That is a huge question. Obviously, the Senate should be a chamber of sober second thought. We do need to have that time in order to carefully consider the legislation before us. That is the mandate that was given to us, according to the Constitution. We need the time to do our work, and it is unfortunate that there is a curtailment of debate.

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

[Translation]

**Senator Robichaud:** Honourable senators, could I have about 10 minutes to read the summary of this bill? I do not want to have to interrupt the reading and, if I were to be granted 10 minutes, then I could start reading right away.

**Senator Carignan:** Honourable senators, according to practice, a senator starts his speech and, when his speaking time runs out, he is then able to ask for five more minutes, which is traditionally granted.

**Senator Robichaud:** I understand what the honourable senator is saying.



• (1620)

If I were to read the summary, I think it would take me another hour. I could begin by reading Division 56 of Part 4.

Division 56 of Part 4 amends the *Assisted Human Reproduction Act* to respond to the Supreme Court of Canada decision in *Reference re Assisted Human Reproduction Act* that was rendered in 2010, including by repealing the provisions that were found to be unconstitutional and abolishing the Assisted Human Reproduction Agency of Canada.

I will now read Part 1 of the summary:

Part 1 of this enactment implements certain income tax measures and related measures proposed in the March 29, 2012 budget. Most notably, it [ . . . ]

Then come paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k).

The summary continues:

Part 1 also implements other selected income tax measures and related measures. Most notably, it

. . . (a), (b), (c).

Honourable senators, I will dispense with reading all these divisions because I know that you will all read the summary before voting on the amendment proposed by Senator Ringuette and, of course, before voting at third reading stage.

[*English*]

**The Hon. the Speaker:** Are honourable senators ready for the question on the matter before the house, which is the motion for time allocation?

**Hon. Senators:** Question.

**The Hon. the Speaker:** It was moved by the Honourable Senator Carignan, seconded by the Honourable Senator Marshall:

That, pursuant to rule 39, not more than a further six hours of debate be allocated for consideration at third reading stage of Bill C-38, An Act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures.

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:** Two senators rising, automatically it is a 60-minute bell, which means that the vote will take place at 22 minutes after five o'clock.

• (1720)

Motion agreed to on the following division:

#### YEAS THE HONOURABLE SENATORS

Andreychuk  
Angus  
Ataullahjan  
Boisvenu  
Brown  
Buth  
Carignan  
Comeau  
Dagenais  
Di Nino  
Doyle  
Duffy  
Eaton  
Finley  
Fortin-Duplessis  
Frum  
Gerstein  
Greene  
Housakos  
Johnson  
Lang  
LeBreton  
MacDonald  
Maltais  
Manning  
Marshall

Martin  
Meredith  
Mockler  
Nancy Ruth  
Nolin  
Ogilvie  
Oliver  
Patterson  
Plett  
Poirier  
Raine  
Rivard  
Runciman  
Segal  
Seidman  
Seth  
Smith (*Saurel*)  
St. Germain  
Stewart Olsen  
Tkachuk  
Unger  
Verner  
Wallace  
Wallin  
White—51

#### NAYS THE HONOURABLE SENATORS

Callbeck  
Campbell  
Chaput  
Cordy  
Cowan  
Dallaire  
Dawson  
De Bané  
Downe  
Dyck  
Eggleton  
Fairbairn  
Fraser  
Furey  
Hervieux-Payette  
Hubley

Jaffer  
Mahovlich  
Mercer  
Merchant  
Mitchell  
Moore  
Munson  
Peterson  
Ringuette  
Rivest  
Robichaud  
Smith (*Cobourg*)  
Tardif  
Watt  
Zimmer—31

#### ABSTENTIONS THE HONOURABLE SENATORS

Nil

• (1730)

THIRD READING—MOTION IN AMENDMENT  
NEGATIVED—VOTE DEFERRED

On the Order:

Resuming debate on the motion of the Honourable Senator Buth, seconded by the Honourable Senator Doyle, for the third reading of Bill C-38, An Act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures;

And on the motion in amendment of the Honourable Senator Ringuette, seconded by the Honourable Senator Cordy, that Bill C-38 be not now read a third time but that it be amended

(a) on pages 306 to 311, by deleting clause 447;

(b) in clause 608, on page 373, by replacing line 1 with the following:

“(k.1) subject to section 54.1, establishing criteria for defining or”;

(c) on page 373, by adding after line 21 the following:

**“608.1 The Act is amended by adding the following after section 54:**

**54.1** (1) Before a regulation is made under paragraph 54(k.1), the Minister shall cause the proposed regulation to be laid before each House of Parliament.

(2) The proposed regulation shall be laid before each House of Parliament on the same day.

(3) A proposed regulation that is laid before a House of Parliament shall, on the day it is laid, be referred to an appropriate committee of that House, as determined by the rules of that House, and the committee may conduct inquiries or public hearings with respect to the proposed regulation and report its findings to that House.

(4) A regulation may not be made under paragraph 54(k.1) before the earlier of

(a) 30 sitting days after the proposed regulation is laid before the Houses of Parliament; and

(b) the day after the appropriate committee of each House has reported its findings with respect to the proposed regulation.

(5) The Minister shall take into account any report of the committee of either House and, if a regulation does not incorporate a recommendation of the committee of either House, the Minister shall cause to be laid before that House a statement of the reasons for not incorporating it.

(6) A proposed regulation that has been laid before Parliament need not again be so laid prior to the making of the regulation, whether it has been altered or not.

(7) A regulation may be made under paragraph 54(k.1) without being laid before either House of Parliament if the Minister is of the opinion that the changes made by the regulation to an existing regulation are so immaterial or insubstantial that subsections (1) to (6) should not apply in the circumstances.

(8) If the regulation is made without being laid before the Houses of Parliament, the Minister shall cause to be laid before each House a statement of the Minister's reasons.

(9) For the purpose of this section, “sitting day” means a day on which either House of Parliament sits.”; and

(d) in clause 703, on page 402, by adding after line 36 the following:

“(1.1) Before an instruction is given under subsection (1), the Minister shall cause the proposed instruction to be laid before each House of Parliament.

(1.2) The proposed instruction shall be laid before each House of Parliament on the same day.

(1.3) A proposed instruction that is laid before a House of Parliament shall, on the day it is laid, be referred to an appropriate committee of that House, as determined by the rules of that House, and the committee may conduct inquiries or public hearings with respect to the proposed instruction and report its findings to that House.

(1.4) An instruction may not be given under subsection (1) before the earlier of

(a) 30 sitting days after the proposed instruction is laid before the Houses of Parliament; and

(b) the day after the appropriate committee of each House has reported its findings with respect to the proposed instruction.

(1.5) The Minister shall take into account any report of the committee of either House and, if an instruction does not incorporate a recommendation of the committee of either House, the Minister shall cause to be laid before that House a statement of the reasons for not incorporating it.

(1.6) A proposed instruction that has been laid before Parliament need not again be so laid prior to the giving of the instruction, whether it has been altered or not.

(1.7) An instruction may be given under subsection (1) without being laid before either House of Parliament if the Minister is of the opinion that the changes made by the instruction to an existing instruction are so immaterial or insubstantial that subsections (1.1) to (1.6) should not apply in the circumstances.

(1.8) If the instruction is given without being laid before the Houses of Parliament, the Minister shall cause to be laid before each House a statement of the Minister's reasons.

(1.9) For the purpose of this section, "sitting day" means a day on which either House of Parliament sits.”;

(e) on page 150, in clause 133, by replacing line 21 with the following:

“ the fish as food or for subsistence or earning a moderate livelihood or for social”;

(f) on page 151, in clause 133, by replacing line 5 with the following:

“to fish includes any permanent or recurring”;

(g) on pages 340 and 341, by deleting clause 525;

(h) on page 369, by deleting clause 602; and

(i) on page 395, in clause 682, by replacing line 8 with the following:

“or a veteran's spouse, common-law partner or survivor if the veteran or the veteran's spouse, common-law partner or survivor meets”.

**Hon. James S. Cowan (Leader of the Opposition):** Honourable senators, in speaking today, instead of looking individually at the amendments that were introduced yesterday by my colleague Senator Ringuette, I would like to focus on why Bill C-38 has caused us on this side such difficulty.

When I spoke at second reading on this bill last week, I barely touched the surface of this gargantuan piece of legislation, one sweeping, nation-changing bill that is being rammed through Parliament with minimal opportunity for study, debate or, perhaps most importantly, input by Canadians.

One bill, 425 pages long, 753 clauses amending or repealing some 70 separate acts of Parliament, laws passed when an “act of Parliament” actually meant an act of Parliament. Because let us be very clear, what is before us now is not what any of our predecessors in this chamber would have recognized as an act of Parliament. It is an act of the Harper government, aided and abetted by its enablers in the Conservative caucus.

It is ironic, and depressing, to recall the promises of democratic and parliamentary reform, a new era of openness and transparency, that candidate Stephen Harper promised Canadians, on the strength of which he was elected.

Parliamentary reform? Now we know it really means emasculating Parliament and any serious role for parliamentarians.

Debate? The Harper government sees no need for debate. It is not interested in the views of Canadians or even of its own caucus members. No debate, no hearings, no input from concerned Canadians, and certainly no amendments.

What about openness and transparency? Well, a recent report from the Halifax-based Centre for Law and Democracy ranked countries on freedom of information. Out of 89 countries, we are tied for 51st behind Angola, Colombia, South Korea and Niger.

That finding is no surprise to any of us here, of course. The Parliamentary Budget Officer — remember that this was a position created by the Harper government when it first came to power — is threatening to take the government to court. That looks to be the only way he will be able to pry facts from the government about how its cuts under Budget 2012 will impact federal departments and agencies and, therefore, Canadian taxpayers. The Harper government's response? Attack, attack, attack. Minister John Baird rose in the other place and accused the Parliamentary Budget Officer of “overstepping his mandate.”

Let us be clear, honourable senators: The Parliamentary Budget Officer did not overstep his mandate. He is attempting to fulfill his parliamentary-established mandate, notwithstanding all the roadblocks and refusals and denials and attacks from the Harper government.

Liberal members of the Standing Senate Committee on National Finance wanted to call Mr. Page to appear as a witness on Bill C-38. That motion was defeated by the Conservative majority on that committee.

**Some Hon. Senators:** Shame.

**Senator Cowan:** We are left here today without the basic financial facts we need to assess the bill before us. Honourable senators, these are issues of financial costs and savings for a major, and highly controversial, budget bill.

All of us in this chamber are going to have to stand and vote. How will honourable senators opposite, who have in many cases devoted their lives to arguing for responsible fiscal management, for accountability and transparency, have the stomach to vote for a bill whose contents have not been thoroughly studied and for which, as I say, we do not even have basic financial information?

Last week when we debated this bill, I said that I do not envy their position. They are the ones who will have to reconcile their vote with their principles. They are the ones who will have to defend what they are doing here today.

In my speech at second reading, I read to honourable senators from the extraordinary letter written by four former federal fisheries ministers, two Progressive Conservative and two Liberal, in their determined — quixotic, really — attempt to persuade the Harper government to change this bill's provisions on fish habitat.

Now we have clear evidence, if any was needed, as to what the government intends by their new measures.

Earlier this month, Mr. Harper's Minister of Fisheries and Oceans, the Honourable Keith Ashfield, wrote a letter to Mr. Todd Panas, the National President of the Union of Environment Workers. He explained — this is Mr. Ashfield — that one of the reasons these provisions were needed is that “there are currently few tools to authorize pollution.” Let me repeat: “few tools to authorize pollution.” He goes on to say, “other than by detailed regulations. For example, the amended Fisheries Act will provide flexibility and establish new tools to authorize deposits of deleterious substances.”

That is the Minister of Fisheries and Oceans, the Honourable Keith Ashfield.

Honourable senators, provisions contained in Bill C-38 are needed to establish new tools to authorize water pollution.

**Some Hon. Senators:** Shame.

**Senator Cowan:** No wonder environmentalists around the world are aghast at what is taking place in this country. Canada's minister responsible for protecting our fisheries and oceans is complaining that there are too many regulations hampering people who want to pollute our pristine and world-renowned lakes and rivers. There is too much red tape for polluters. It is time to cut through that red tape.

Honourable senator, let me read to you a new clause that Bill C-38 will insert into the Fisheries Act, right at the beginning, as part of the “interpretation” or definitions section of the act. This is what it says:

(2) For the purposes of this Act, serious harm to fish is the death of fish or any permanent alteration, or destruction of, fish habitat.

Let me repeat that: “Serious harm to fish is the death of fish.” I thought that would be pretty self-evident. Nothing else qualifies as “serious harm,” only a dead fish, or a permanently altered fish habitat or a destroyed fish habitat.

The fish habitat must be “permanently altered” or “destroyed.” Those are the words in the act. If there is any hope of remediation or returning the habitat to its original condition, that does not fall within the definition of “serious harm.” If the fish is mutated from chemicals, that is not serious harm, according to the Harper government.

Honourable senators, will we now have members of the Harper government insisting, like the Monty Python pet shop owner, that the fish, like the famous parrot, is not dead? It is only resting and pining for the fjord?

I spoke at length last week about the Experimental Lakes Area research centre that the Harper government is shutting down with Bill C-38. The government is encouraging ever faster and bigger development of the oil sands but is at the same time shutting

down any source of scientific information about the impact of what we are doing to our environment and fresh water.

That is because facts can lead to someone questioning the government, and this government does not like questions.

Since I spoke, Canadians have learned a little more about how the Harper government is muzzling the scientists affected by the shutdown. Michael Harris wrote a revealing article about this and the Experimental Lakes Area shutdown in yesterday's *iPolitics*. This is what he wrote:

All employees were explicitly warned not to speak to the media. Instead, media requests had to be forwarded to what was risibly referred to as DFO Communications. That is the branch plant of the Ministry of Truth in the PMO that casts the appropriate lights and shadows over the facts for the government and still manages to sleep well at night. You know, the Ignorance is Strength/Freedom is Slavery crowd.

How far has the government been prepared to go to smother the facts surrounding the ELA? For starters, DFO declined all requests from the media to speak with scientists.

Being an equal lack-of-opportunity employer, DFO also turned down all requests from its scientists to speak about their work to Canadians. Remember, these are the same people who sent “minders” with scientists to a recent scientific conference in Montreal, lest they stray from the government line in public. I am beginning to suspect that the government line is based on believing that 10,000 years ago Brontosaurs were cropping grass in the back forty.

You will be comforted to know that DFO extended the ban on ELA information to federal MPs. The department turned down NDP MP Bruce Hyer's request to visit ELA with an ELA scientist. When an outraged university scientist conducting research there offered to take Hyer on a tour of the facility, DFO threatened to cancel his research privileges. Any wonder that acclaimed international scientist Ragnar Elmgren said that this was the kind of thing you would expect from the Taliban, not the government of a western democracy?

• (1740)

Policy without evidence, science shut down, scientists fired by the dozens — according to yesterday's news, perhaps by the hundreds — and those remaining with the federal government are muzzled. Who would have imagined that Canada would come to this?

Last Friday, Canadians learned that four former senior public servants in the Department of Fisheries and Oceans took the highly unusual step of writing to Prime Minister Harper asking him to reconsider the decision to withdraw funding from the Experimental Lakes Area. The four men, Burton Ayles, who was regional director-general from 1993 to 1995, Herbert Lawler, who was the regional director-general from 1973 to 1986, Paul Sutherland, who was regional director-general from 1986 to 1993, and Rick Josephson, who was regional director of fisheries and habitat management from 1981 to 1989, wrote that they were “deeply disturbed” by the decision.

This is what they wrote to Prime Minister Harper:

We believe that you have been ill advised either by political staff with little understanding of federal constitutional responsibilities and with little appreciation of the importance of clean water and viable aquatic ecosystems to the well-being of all Canadians or by federal bureaucrats with a bias towards the management of marine fisheries . . .

Former public servants, former ministers from different political parties, provincial governments, scientists, leading international journals — the list of those saying this is wrong grows daily.

Policy based on evidence and science is a thing of the past, and the result is, as former Prime Minister Brian Mulroney said:

For what would be said of a generation that sought the stars, but permitted its lakes and streams to languish and die?

I hope that Mr. Mulroney took the opportunity to repeat this warning to Prime Minister Harper when he met with him in secret earlier this month. If Mr. Harper was seeking advice on how to gain political traction in the province of Quebec from Mr. Mulroney, as was widely reported in the press, I expect that he was told that Mr. Harper's utter lack of respect for our natural environment was fast becoming a major public relations problem for him and his party in Quebec.

Honourable senators, last week I asked about the fiscal judgment of this government in closing the Experimental Lakes Area for a supposed savings of \$2 million a year. I pointed out that estimates to remediate the lake run as high as \$50 million.

I am, of course, not the only person to note the incongruity of certain so-called cost-saving measures in this budget. This bill is littered with them.

As I noted last week, Bill C-38 will close the office of the Inspector General of CSIS, leaving the Security Intelligence Review Committee as the only check on the spy agency's activities.

A letter appeared in *The Globe and Mail* on Tuesday from Paul Cavalluzzo, a highly respected Toronto lawyer who served as lead commission counsel to the O'Connor commission in the case of Maher Arar. This is what Mr. Cavalluzzo wrote:

The cost of protecting Prime Minister Stephen Harper will double this year to \$20-million from 2006, when he took office. . . .

This huge increase occurs at the same time that Mr. Harper has eliminated the office of CSIS's watchdog, the inspector-general, because of the cost — \$1-million annually. Perhaps Mr. Harper could spare some loose change from his protection budget and reinstate the inspector-general so Canadians' civil liberties might be adequately protected from our security services.

He concluded by saying:

I guess smaller government lies in the eye of the beholder.

We have a Prime Minister who insists on doubling to \$20 million the government expenditure on his personal security detail, while shutting down the office of the Inspector General of CSIS, who provides security for all Canadians from an intrusive government, at a cost of \$1 million a year. That cost for the security of all Canadians is much too high to continue, according to Mr. Harper.

That is what becomes of the inspector general — gone, to join the world-renowned research centre at the Experimental Lakes Area, the National Round Table on the Environment and the Economy — the list just keeps growing.

What are this Prime Minister's priorities? "Après moi, le deluge" — but honourable senators, this Prime Minister will leave all Canadians ill-equipped to deal with the deluge and destruction he is leaving in his wake.

Of course, the social safety net that Canadians built up for just these kinds of difficult times is being eroded, cut away bit by bit. The Harper government does not believe in safety nets. It is survival of the fittest in Harperland.

Employment Insurance? It depends on what industry you work in, honourable senators. If you live in a region that has built up and depends on seasonal industries, you are out of luck. Pull on your boots and move somewhere else.

Old Age Security? Remember the left-wing slogan, "Make the rich pay"? The Harper slogan is, "Make the old work."

Remember, honourable senators, what little the Parliamentary Budget Officer was able to discover from the government led him to conclude that the changes to the OAS are not required to make the program financially sustainable for the long term. He found the OAS program is just fine financially. However, that was not fine for the Prime Minister, because his government does not like social safety nets. They are not needed by the 1 per cent.

Honourable senators, I understand that sometimes there is need for austerity. I have many questions about how the Harper government put Canadians in this situation. There have been far too many instances of fiscal mismanagement since Mr. Harper took power, but I certainly understand that circumstances can require tightening one's belt. However, let us be clear: That is not what Bill C-38 is about. As I elaborated last week, it is not really about jobs, growth and long-term prosperity.

This bill is about systematically eliminating organizations that this government does not like. It is about eliminating checks on secret government activities. It is about cutting funding for the Heavy Urban Search and Rescue teams, the same teams sent to Elliot Lake to deal with the tragic shopping mall collapse. It is about undoing decades of environmental protection laws. It is about changing the law to allow polluters to pollute our lakes and rivers. It is about putting a chill on our charitable organizations, when there is an issue that they want to speak out on. It is about slowly and quietly unravelling our social safety net.

It is about power. It is taking power away from public view, away from independent boards, away from Parliament, and consolidating that power in the hands of the Prime Minister.

Of course, honourable senators, remember the process by which this mammoth bill has been relentlessly pushed through the other place and is being forced through this chamber, with repeated recourse to Mr. Harper's favourite legislative tools to shut down debate: closure in the other place and time allocation here.

• (1750)

We have a bill that is fundamentally all about taking power into the hands of the few, and it is being done through an abuse of power. Meanwhile, the members of the Conservative caucus sit like so many Madame Defarges, knitting as the guillotine falls. They say that power corrupts. I dread to think what lies ahead.

**Hon. Daniel Lang:** Honourable senators, I rise to speak to Bill C-38. I want to begin by saying how fortunate we all are to be Canadians.

Unlike the Leader of the Opposition, I read the newspapers every day. I look at what is happening around me as a Canadian, around Canada, and see what is happening in the world. I have to say to myself, we are blessed to be Canadians.

We are an island unto ourselves when we look around and look to our neighbours, the United States, and look at the high unemployment figures of our neighbour country, so much bigger than our own. When we look at Spain, at Greece, at the European Union and around the world, I have to say to my colleagues across the floor: The glass is not half empty; it is half full.

We are very fortunate to be in the position we are in today and to be moving ahead with the political agenda presented in the House of Commons and in this place for the democratic debate we are having now.

The side opposite talks about the fact that democracy has come to a halt. Everyone has forgotten that a year ago there was an election. The purest democratic reform that one can ever have is a free election. What we are being asked to vote on and what has been voted on by Canadians, one and all, was the agenda that has been placed before us.

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

**The Hon. the Speaker:** Order.

The Honourable Senator Lang.

**Senator Lang:** Thank you, Your Honour. I just want to point out that I never interrupted the Leader of the Opposition. I expect the same type of behaviour from the side opposite.

I want to remind honourable senators that since 2006 we have been through a number of elections and a number of minority governments. Before us in this budget are many issues and measures that have been debated endlessly during the course of the last five years, not the course of the last two or three months that this budget was presented in the House of Commons.

I want to point out, for example, that the Shiprider program, which is included in this particular bill, will bring together the United States and Canada in respect of the actual border, control over it and the shared responsibility that we have as Canadians and Americans. That measure in this bill was debated a year or two ago in both houses.

The measures contained in this bill are not new. Most of them have been debated over the last five years, not the last year, depending on what the issues are and what measure one wants to discuss.

I want to refer to one area that I think is very important as we move ahead and look at the agenda in the coming years. In the past three years we have seen 700,000 jobs created in this country. We are the envy of the rest of the world. Those 700,000 jobs, in good part, are well-paying positions across this country: not just in Quebec, not just in British Columbia, not just in Newfoundland and not just in the area that I represent, the region of Yukon.

Perhaps we should look at the region of Yukon and discuss this budget and how it is affecting us as Yukoners and as Canadians. First, not one of the senators opposite has talked about the equalization payments that will be continued in this budget and forthcoming budgets that allow the Government of Yukon or, in the Leader of the Opposition's case, the Government of Nova Scotia to maintain all their social programs that they administer on a day-to-day basis. Those are the real programs that affect Canadians: education, health and all those programs administered by the provinces and territories. They have been increased, not decreased.

I would say to senators opposite that when we look at this budget, the government should be commended for being able to provide to the provinces and territories an increase in equalization payments so they can continue to provide these programs and at the same time meet our objective of managing the deficit.

I hear different things from the side opposite during Question Period, depending on the day. On Monday they criticized the government and asked what we are doing to reduce the deficit. The next day the government takes some steps and is criticized for taking those steps. I have not heard one recommendation from the side opposite.

Now we are talking about the budget before us and whether or not it has had any public consultation. I do not know where the side opposite was; maybe they were on holidays. The Minister of Finance went across this country, from region to region, from city to city, having meetings, day after day, asking Canadians to bring forward ideas of what should be in this particular budget. In fact, the Liberal Party was asked to bring forward their ideas. Did we get any ideas? Did we get any recommendations? No.

**Senator Mercer:** It is your job.

**Senator Lang:** The honourable senator says it is my job. Yes, it is my job, but he cannot stand in his place and say that there was no consultation. The honourable senator had the right to consult and the right to bring forward his position, and he did not.

I want to say to the side opposite that I believe very strongly that this budget, Bill C-38, has been brought forward through the democratic process, through an election. We were all part of that election and we know the final result.

We know the Minister of Finance has gone across this country asking for recommendations. In good part they were included in this budget. I know for a fact that the northern caucus met with the Minister of Finance and brought forward recommendations that are contained in this document.

The Leader of the Opposition referred fleetingly to the question of the changes in the environmental regime across this country. I point out to the side opposite that, if they want consultation, it was unanimous among the provinces and the territories that we had to streamline the regulatory process in this country if we are going to reap the benefits of the development of our resources. That is not consultation, though, when the provinces and territories bring forward a unanimous position. That is contained in the budget.

Members of the Standing Senate Committee on Energy, the Environment and Natural Resources have discussed this and we heard witnesses. I can say this — and I know that the senator from Alberta and the other committee members will have to agree — that the changes to the regulatory process are good. They will strengthen the environmental responsibilities that we have in this country and free up money that was being utilized duplicating services. We had evidence placed before us that we will see an increase of 5 per cent in providing the necessary government financing for these projects that we did not have before, so that even further due diligence can be done as we go through the regulatory process. That also will be streamlined. It will be streamlined so that there is discipline built into this process.

There is also the duty to consult with our Aboriginal peoples and First Nations. It is very clearly stated that money has been set aside. Millions of dollars have been set aside for that purpose.

Steps are being taken in respect to looking ahead and to setting the agenda so we can enjoy the prosperity we should get from these projects if we allow them to go ahead.

I have listened to the senator from Alberta talk about social licence, and I agree. As we have said before, we need social licence, and we are moving in that direction.

The other area that the Leader of the Opposition spoke of was the chill on charities.

• (1800)

I would submit if anyone brought a chill to the charities it was the side opposite. Not one senator on this side talked about hospitals. We talked about the fact that there was unidentified, untraced money coming into this country getting involved in public policy. The side opposite was not worried about that, honourable senators, and I wonder why. Honourable senators need to ask themselves why they were not concerned when they saw the multi-millions of dollars that were coming into this country. To all intents and purposes, Canadians did not know what was happening, and now they know.

I, for one, am very pleased to see that the government has listened, consulted and brought forward the necessary changes to ensure that Canadians will know when there is offshore money coming into this country for the purposes of affecting public policy. We will know who they are and what they are doing instead of their being wrapped in the Canadian flag.

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

**Senator Lang:** Honourable senators, I also want to bring in a bit about what is happening back home, because I think it is pertinent and I would like to hear what other senators are experiencing in their regions of the country. We are fortunate in our part of the country that we have had a low tax regime implemented for a number of years. Our government has welcomed investments into this country. Never before in past years have we experienced the low rate of unemployment we now have in our part of the country. Canadians are moving into Yukon from other parts of this country. They are making their home in Yukon, and we are pleased to welcome them there, but we are able to welcome them there because we have jobs, and jobs means new people coming to our territory, as well as our local people getting jobs and raising their families.

We have had significant, multi-millions of dollars come in via investments from China and the United States for the purposes of our mining community. The end result is long-term jobs for our local people and for Canadians.

I want to speak for a minute about what some call the Dutch disease. The reality of it is that all these developments are bringing other Canadians into our region of the country, but it is also buying goods and services, whether from Ontario, Alberta or British Columbia. This is good for the country, honourable senators, and that is the result of a budget and an agenda that are calling for a low-tax, sound investment policy for investors to come into this country.

I would now speak to the trade agreements that the present government is negotiating. We have concluded I believe nine trade agreements in the last year to two years. We have been negotiating with over 50 countries for the purposes of trade so we can diversify our trade around the world and not totally rely on our good neighbour the United States of America. The end result, honourable senators, is more jobs for Canadians.

I had the opportunity to go to Taiwan. I led the delegation with the House of Commons, not unlike senators across the floor have done in the past. I was amazed to go to that small island, that small country, and see that there are 23 million people there and that Canada's trade is just under \$7 billion. It has increased almost \$1.5 billion in the past year, and that means jobs for Canadians. That is just a small example of the diversification of our trade agreements around this country. If we are successful in negotiating and coming to a conclusion, we will find out what it will mean not just for Canadians but also for the Taiwanese because they get the benefit of our trade, whether it be coal, potash, uranium or any other commodity, as well as the intellectual property, and by that I mean the transfer of students from Taiwan into Canada. The figure brought to us was 13,000 students come to Canada from Taiwan every year to attend our various academic institutions. You can imagine what

an industry that is and what that does for Canadians in our universities and for our communities throughout Canada as they come and learn their skills, and in most cases go back to where they have come from.

I raise that as a point because, until you see it, you do not necessarily believe it. I am pleased that I had the opportunity to go for a week and actually see how we can be affected by another small country with a lot of similarities to Canada and how jobs are created and how our economy reaps the benefits of those types of exchanges.

From my perspective, the agenda that has been put forward in Bill C-38, that has been fully debated, hour after hour, day after day, month after month, is the product of consultation across this country in numerous ways. At the end of the day, with the passage of this bill, time will tell the success. I am looking forward to honourable senators' support.

**Hon. Percy E. Downe:** I wonder if the honourable senator would take a question.

**The Hon. the Speaker:** Is the honourable senator asking for five minutes?

**Senator Downe:** Yes, please.

The honourable senator may or may not know the answer to this, but I know when the Minister of Finance came to consult in Prince Edward Island the invitations were restricted and it was an invited session; in other words, it was not open to the public. Does the honourable senator know if it was the same across Canada?

**Senator Lang:** I think the honourable senator should clarify the record. My understanding is the chambers of commerce, the various organizations in a particular region or city or community were contacted and representatives were made available to do a round table. I know it was open in our part of the country. I am sure it was open in the honourable senator's region and he probably has misinformation.

**Senator Downe:** I understood that a number of people who wanted to make presentations to the Minister of Finance were not allowed to because they were not invited to the session, and in fact it was a closed session.

I am interested in the honourable senator's comments about consulting with Canadians. After the minister wrote seeking comments, I wrote suggesting that the government, in this budget, follow the example of the United Kingdom or the United States. Both countries have refused to cut their Department of Veterans Affairs budget because they wanted to have the highest possible service for the veterans, their families and dependants. I wrote to the Minister of Finance. Unfortunately, when the budget came out, I was very disappointed to see that Veterans Affairs was slashed, in some cases more than other departments, with 400 to 500 employees gone and services to veterans and their families decreasing over the coming years. I hear already from veterans that they are waiting longer and longer to receive services from the department; regional offices are closing across the country, and veterans have to travel further.

Was the purpose of the consultation simply to say there was consultation, or did the minister actually intend to listen to any Canadians, other than what he intended to do already?

**Senator Lang:** I would start by saying that from the point of view of the Department of Veterans Affairs, I am proud to be part of a government that has supported the veterans like they have over the past six years. I know the honourable senator cannot argue with me. The increase that has gone into that budget compared to other departments is substantial. I do not have the numbers before me, but we are talking multi-millions of dollars. We are not talking a minimal 3 per cent or 4 per cent increase over the last six years.

From the point of view of commitment to the Armed Forces and to veterans, I do not believe this present government can be faulted. At least I can speak for my region because I know that we, as Canadians, are very proud of the fact that we have a government that has supported the Armed Forces and the veterans in the manner they have over the last number of years. As the honourable senator and everyone in this place knows, veterans in the past years were in many cases ignored. They have taken front and centre stage, and so they should.

There are small things in that budget. The Leader of the Opposition would not point this out, but what was, for example, brought to my attention — and I wrote a letter, not unlike my colleague — had to do with audits, which are quite boring. One never talks about them. An individual came to me who said, "I am on a board. It is X amount of dollars. We pay wages for three or four employees, yet our board has to be audited every year, costing us thousands of dollars. Why do we have to do that?" The honourable senator did not raise the possibility that we could refine how we did business. We have gathered a number of these boards together and now there is only one audit. Hundreds of thousands of dollars will be saved. That is a reasonable approach.

• (1810)

Yes, there was consultation. I know that the mining tax credit was a result of consultations in the mining communities in the Yukon, the Northwest Territories and Nunavut. The honourable senator may not think he was heard, and in some cases ideas may not have been incorporated in this budget, but I would recommend that he keep trying. If an idea makes sense, I have no doubt that the Minister of Finance would be happy to hear from him.

**Hon. Grant Mitchell:** Honourable senators, I want to congratulate my colleague Senator Lang for his efforts this afternoon in debating the budget in the sense that he is a really good soldier and presents the line very forcefully and with much enthusiasm. However, he must be related to Pollyanna. He may not be an uncle, but he must at least be a distant relation to Pollyanna, because so much of what he is saying does not ring true, although it is very optimistic and positive and I am sure he believes it.

He talked a lot about consultation with Canadians.

**Senator Lang:** On a point of order, I thought I was going to be asked a question.



**The Hon. the Speaker:** Senator Mitchell is on debate.

**Senator Mitchell:** I will try to answer some of the questions the senator raised.

On consultation, I asked myself when the last time is that Prime Minister Harper consulted with an ordinary Canadian. You need a pass to get into one of his meetings. I do not see that he is in the streets or sitting down talking to Canadians. When it comes to consulting with levels of government with which he should be consulting, collaborating, building consensus and developing the advantages of team, what do we see? I remember last January when the Prime Minister was asked, on a talk show in Calgary, what he thought of Premier Redford's initiative to create a national energy strategy. He threw her under the bus and said, "I don't know what she's talking about."

If the Prime Minister of this country is touting that he consults broadly, you would think he would just pick up the phone and ask Premier Redford what she is talking about. However, that did not happen. In fact, because of the relationship that many of the MPs here have with the Wildrose Party in Alberta, that level of consultation has probably been jeopardized to some extent. That was underlined by the recent missive that Minister Kenney sent to the Deputy Premier of Alberta to make the point that he did not have time to have lunch with the guy.

How could it be that this government could think that it consults broadly when the Prime Minister's senior minister will not have lunch with the deputy premier of the most significant energy province in the country at a time when energy and climate change are touted by this government as the economic future of the country? As if that is not enough, he goes out of his way to insult him.

That brings me to another question. How can this country ever be run in a collaborative way that builds upon synergies, teamwork and bringing people together when, in the six years that this Prime Minister has been Prime Minister, he has had a single first ministers' meeting of about two and a half hours on a Friday night? How could he ever begin to build the kind of teamwork, synergies, cooperation and collaboration that can take advantage of all the resources, virtual and actual, and all of the possibilities, potential and energy from all the jurisdictions across this country?

You cannot do it by yourself, Mr. Harper. You cannot exclude yourself from all of those processes and expect that we will do as well as possible. You have to work with other people.

I was struck by the fact that the Prime Minister is having so much trouble getting that book on hockey out. Then it dawned on me that maybe it is the part about team that is so difficult for him to write. I do not want to be provocative and belabour that point.

I want to ask a couple of rhetorical questions that I have asked before. The first is: Why does anyone believe that Conservatives can run an economy or manage a budget when all of the evidence is to the contrary? We have a record deficit of \$56 billion. I will grant you that this year it seems to have come down, although we have not seen the final number. In the last month of the fiscal year we had a \$9 billion deficit. It is almost incomprehensible that you

could say "fiscally responsible government" and "record deficits" in the same breath, but that is what this government wants to try to say. They have reduced the deficit to \$30 billion. It is informative to realize that the \$30 billion is exactly equal to the amount they have cut in annual taxes.

I could go on. There has been a 25 per cent increase in unemployment. Our debt-to-GDP ratio, I think, places us in the bottom half of the OECD nations. Our deficit ratio puts us in the middle third of OECD nations. None of the statistics support the idea that somehow this government can run an economy, and certainly none of this supports that this government can somehow balance a budget. I believe that they will never balance a budget, and I will itemize some of the reasons why.

If you want to run an economy in the 21st century, particularly an energy economy, you have to come to grips with climate change because the world is disturbed about that, and the world is getting options. They do not necessarily have to buy our gas. The U.S. will probably not be buying our gas in 20 years because they have their own. We need to find and forge new markets to sell our products. The only way to do that is to get social licence, and no one will give social licence to a jurisdiction that clearly is not doing anything about climate change. You have to prove that you are doing something. Whether you think climate change is a scientific fact or not, the world thinks it is, and the world is very concerned about it and they are sending us a message. In Europe they are sending us a message with their fuel quality directives. They are sending us a message with Keystone. They are sending us a message with Gateway to some extent. We have to build social licence, and the government cannot do it by doing what it is doing.

Senator Eaton is nattering away there. I would like to remind her that one of the most unfathomable things you can do is to attack U.S. environmental groups that are instrumental in holding up Keystone. It is not only U.S. environmental groups that are instrumental in holding up Keystone; very powerful economic interests, like coal interests, are instrumental in this as well. In fact, they are probably the ones that have the real power to hold it up. They latch on to attacks on Canada by environmental groups and say that Canada has no responsibility on the environment, so why would we let them run projects across our country that would damage or risk our environment.

You have to get credibility. I know it is subtle and nuanced. I know it is not A equals B equals C, so it takes some doing, but the world is not what it appears to be to this Conservative government. You have to step back and do something about climate change and about building credibility. If you do not do something about climate change, you cannot even do what you want to do. Also, if you do not do something about climate change, you are missing all of the economic opportunities to build a 21st century economy, and someone else, some other country, some other peoples, will get those benefits.

I fear that the Conservatives are so stuck in the past in many ways that they cannot see the possibilities of the future; they cannot imagine what the future might be, and they cannot lead this country to get us there.

The second reason I have no confidence whatsoever — and this is symbolic but also substantive — in the government's ability to manage budgets and the economy is Bill C-10, the crime agenda. It will cost huge sums of money that we cannot afford. We have a \$30-billion deficit and you will put billions of dollars into prisons that we do not need and that will damage people irreparably and not fix the problem, which is getting fixed quite adequately through existing policies without burning this kind of expenditure on our budget.

• (1820)

The third thing that really unsettles me when it comes to any sense that this government can manage an economy — and, again, it is subtle — is that they go to the obvious. They think that somehow economics are numbers, that they are numbers of dollars and amounts of investment, and so on. Certainly that is part of it, but economics are people, and they are driven by people. People need to be optimistic if they are going to work hard when hired by a firm or if they are going to invest and take risks. The fact is that this government has spent a great deal of time over the last six years unnerving people. They attack people who disagree with them. That does not stimulate creativity or a sense of optimism. It erodes people's confidence. They are cutting the social safety net. Again, that does not give people a sense of security or strength so that they will take risks and work harder. To the contrary, it erodes their ability to do these things that are fundamentally important to the strength of an economy.

The subtext of the government's EI policy is that, somehow, certain people in certain areas are really lazy. Well, that stimulates a commitment to working harder. The fact is that it is unnerving to people; it does not inspire people. They discriminate in certain ways against certain kinds of immigrants and certain kinds of refugees who have immigrant links in Canada. That is very unsettling. They attack, in many respects, health care and begin to unsettle people in that regard.

Honourable senators, we have upwards of 25 per cent youth unemployment; there is nothing here that will inspire those young people and build those young people and give them a chance to get their lives started in a productive economic way. My point is that it is not just about numbers and it is not just about trade agreements. It is fundamentally about people. One has to inspire people and give them optimism. The government cannot make people afraid all the time of so many different things and expect that that will stimulate an economy.

The fourth thing is that in this day and age, science is fundamentally important to the way that economies will evolve. With our base of a well-educated population, at least to this point, we could have some advantage in that regard. However, again, this government has taken a direct assault on science in many ways. They do not believe in the science of climate change — they absolutely do not believe it. That is indicative and colours, I think, their view of many other scientific initiatives, like the Experimental Lakes Area.

A leading scientist in Canada said that some countries have particle accelerators, which are pretty sophisticated; Canada has the Experimental Lakes Area — \$2 million per year. Senator Cowan outlined clearly the advantages of that and the cost of shutting it down. There is an example of where science can make

us leaders in the world, build jobs for highly educated people, help us to diminish the environmental impacts of major projects, and so on.

When I start to assess what this government is actually doing, I get no confidence whatsoever. They can call this budget whatever they want to call it — the creating jobs for the future budget, or the making money for everyone budget, or whatever they want to call it — but it is just spin. When you get right down to it, they are not doing the fundamental things that need to be done to build an economy of the future. If they think they will speed up these projects, and if they think the projects will save the economy, they are dead wrong. More and more evidence is coming out that the Gateway pipeline is probably stalled because the social licence has not been achieved. It will not be the environmental process that holds that up. It will probably be the Aboriginal peoples who will hold that up because they are not prepared to give social licence to people who simply have not built up the credibility to deserve it.

Before I sit down, I would like to mention that my share, if you will, of the amendments that we have put up — that is, with respect to fisheries — is an amendment that will strengthen the protection of habitat, which has been eroded in Bill C-38. We have an amendment included as well to the provision to provide, once again, for the status of moderate livelihood with respect to Aboriginal peoples' activities in fisheries. That has been summarily excluded. It is a very important feature of the way that Aboriginal peoples utilize and have been allowed to utilize fisheries. It is a fundamental feature of the law of this land because it was defined clearly by the Supreme Court in 1999. Summarily, it has been cut out. If you think that is not going to create delays in projects — it absolutely will create delays in projects.

The final thing, and I will close with this, is a second rhetorical question that I need to ask: Where has this right-wing ideology ever worked? Name one place where it works to the advantage of people and of economies.

Could I have five more minutes or two more?

**Hon. Senators:** Agreed.

**An Hon. Senator:** Two.

**Senator Mitchell:** I know: two or five; it will not make any difference. I cannot seem to convince you.

Where does this ideology work? If it is not based in science, and it is not, if it is not based in practical, pragmatic expenditure, as the previous expenditure would indicate it is not, then where in the world does it work? Show me. Show me where a successful right-wing government has existed and created a successful right-wing economy and a successful right-wing society. I do not think it does because it does not take stock of what people really need to be inspired, how people really need to be supported and the role of government as an extension of our working with our neighbours in complex societies where simply charities, which are excellent and are needed — although not everyone on that side agrees — cannot do it all because it is complex and some people will just fall through the cracks.

Governments have a role. Let us not forget that. Let us not forget that one of the reasons that Canada is what it is today or was six years ago was because, over most of that period of time it, was well governed and government had a role to play in catalyzing, working with, coordinating, collaborating and bringing the best out in Canadians and working with other governments — all these things that now are seeming quite novel because they have been so forgotten by this government.

I would like to close by saying that there are a couple of other real gaps here. One is veterans. Veterans' families, I think, have been excluded from the health support for veterans. The fact is that more and more we are seeing reports from veterans returning with PTSD who are not getting support. The government is putting \$28 million into the veterans of the War of 1812, but last time I checked they are way past PTSD. They do not need the support. We should be taking that money to help the people today who need our help. That is a tremendous gap in this budget.

Finally — and this will come as a surprise to you — there is one thing I will say that is positive about this omnibus bill, and that is that it did not include the Senate reforms bills. You would think if that were the priority that the government says it is, they would have jammed that into Bill C-38 and jammed it through. Of course, the Prime Minister is the last person on the face of the earth who wants an elected Senate because it will take power away from him, period. In fact, the right-wing think tanks in Alberta are now starting to say, "We do not need an elected Senate. We do not need that kind of Senate reform." I just want to give credit where credit is due. They neglected to put that in here. If they really cared about it, Senator Brown, that would have been number one in Bill C-38 and you would be voting on it this afternoon and your dream would have come true.

**Hon. Bert Brown:** I will love this one.

Honourable senators, I will quote the second thoughts of an environmentalist and how they affect page 31 of the omnibus bill, Bill C-38, respecting Canada's environment act.

• (1830)

Professor Fritz Vahrenholt is one of the fathers of Germany's environmental movement and a director of RWE Innogy, one of Europe's largest renewable energy companies. Last Wednesday he delivered the 3rd Global Warming Foundation Annual Lecture to the Royal Society, London. He said:

Scientists of the Intergovernmental Panel on Climate Change (IPCC) are quite certain: by using fossil fuels man is currently destroying the climate and our future. We have one last chance, we are told: quickly renounce modern industrial society — painfully but for a good cause.

For many years, I was an active supporter of the IPCC and its CO<sub>2</sub> theory. Recent experience with the UN's climate panel, however, forced me to reassess my position. In February 2010, I was invited as a reviewer for the IPCC report on renewable energy. I realised that the drafting of the report was done in anything but a scientific manner. The report was littered with errors and a member of Greenpeace edited the final version. These developments shocked me. I thought, if such things can happen in this report, then they might happen in other IPCC reports too.

Good practice requires double-checking the facts. After all, geoscientists have checked the pre-industrial climate, over the past 10,000 years: this isolates natural climate drivers. According to the IPCC, natural factors hardly play any role in today's climate so we would expect a rather flat and boring climate history.

Far from it: real, hard data from ice cores, dripstones, tree rings and ocean or lake sediment cores reveal significant temperature changes of more than 1°C, with warm and cold phases alternating in a 1,000-year cycle. These include the Minoan Warm Period 3,000 years ago and a Roman Warm Period 2,000 years ago. During the Medieval Warm Phase around 1,000 years ago, Greenland was colonised and grapes for wine grew in England. The Little Ice Age lasted from the 15th to the 19th century. All these fluctuations occurred before man made CO<sub>2</sub>.

Based on climate reconstructions from North Atlantic deep-sea sediment cores, Professor Gerard Bond discovered that the millennial-scale climate cycles ran largely parallel to solar cycles, including the Eddy Cycle which is — guess what — 1,000 years long. So it is really the Sun that shaped the temperature roller-coaster of the past 10,000 years.

But then coal, oil and gas arrived: from the 1850s onwards, Man pumped large amounts of carbon dioxide into the atmosphere and the CO<sub>2</sub> level today stands at 0.039%, compared to 0.028% previously.

With our empirically proven natural pre-industrial pattern, however, we would predict that solar activity had risen since 1850, more or less in parallel with an increase in temperatures. Indeed, both timing and amount of warming of nearly 1°C fit nicely into this natural scheme. The solar magnetic field more than doubled over the past 100 years.

Remember, there are three climate parameters that go up at the same time: solar activity, CO<sub>2</sub> and temperature. Modern climate is likely to be driven by both anthropogenic and natural processes, so CO<sub>2</sub> will undoubtedly have contributed to the warming, but the question is just how much?

Yet the IPCC's computer models consider the solar-forcing as negligible, requiring an unknown amplifying mechanism to explain the observed temperature variations. A promising model is proposed by the Danish physicist Henrik Svensmark but is still under research.

Whether this mechanism is understood or not, the IPCC's current climate models cannot explain the climate history of the past 10,000 years. But if these models fail so dramatically in the past, how can they help to predict the future?

Furthermore, what is little known is that CO<sub>2</sub> also requires a strong amplifier if it were to aggressively shape future climate as envisaged by the IPCC. CO<sub>2</sub> alone, without so-called feedbacks, would only generate a moderate warming of 1.1°C and per CO<sub>2</sub> doubling. The IPCC assume in their models that there are strong amplification

processes, including water vapour and cloud effects which, however, are also still poorly understood, like solar amplification. These are the shaky foundations for the IPCC's alarming prognoses of a temperature rise of up to 4.5°C for a doubling of CO<sub>2</sub>.

In the last 10 years the solar magnetic field dropped to one of its lowest levels in the last 150 years, indicating lower intensity in the decades ahead. This may have contributed to the halt in global warming and is likely to continue for a while, until it may resume gradually around 2030/2040. Based on the past natural climate pattern, we should expect that by 2100 temperatures will not have risen more than 1°C, significantly less than proposed by the IPCC.

Climate catastrophe would have been called off in and the fear of a dangerously overheated planet would go down in history as a classic science error. Rather than being largely settled, there are more and more open climate questions which need to be addressed in an impartial and open-minded way.

Firstly, we need comprehensive research on the underestimated role of natural climate drivers. Secondly, the likely warming pause over the coming decades gives us time to convert our energy supply in a planned and sustainable way, without the massive poverty currently planned.

In the U.K. and Germany, for example, power-station closures and huge expenditure for backup of volatile wind or solar energy or harmful ethanol production will raise energy prices massively and even threaten power cuts: the economic cost will be crippling, all driven by fear.

We now have time for rational decarbonising. This may be achieved by cost-improved and competitive renewable technologies at the best European sites, through higher energy efficiency and by improving the use of conventional fossil energy.

The choice is no longer between global warming catastrophe and economic growth but between economic catastrophe and climate sense.

[Translation]

**Hon. Céline Hervieux-Payette:** Honourable senators, before sharing my thoughts on the budget with you, I would like to remind the Senate of certain facts — not propaganda — about the Liberal government's last three budgets.

In 2003, Canada enjoyed a \$9.1 billion surplus; in 2004, a \$1.5 billion surplus; and in 2005, a \$13.2 billion surplus. I am talking about the facts, the reality and responsible people who managed the country's affairs.

Let us now look at the last three budgets of the Conservative Party. In 2009, Canada was running a \$55.6 billion deficit; in 2010, a \$40.5 billion deficit; and in 2011, when we did a little better, a \$29.6 billion deficit. All of that is to say, honourable

senators, that Canada now has a national debt totalling \$586 billion. Before this bill is passed, it is important to understand the direction Canada is heading in and what the current trend is. I think these numbers give us something to think about: the difference between a responsible government and one that does not know where it is headed.

• (1840)

It might also be worthwhile to point out the real title of the bill: An Act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures.

The part I have a problem with is the “and other measures.” As my colleagues mentioned, this bill amends 70 laws. It is 425 pages long and contains 753 clauses that require close inspection. The government would have us believe that this bill is about jobs, growth and prosperity.

I will show how the government's lack of transparency, lack of integrity, and lack of consultation and collaboration with the provinces and the people are threatening Canada's national unity, economic future and international reputation.

I believe that Bill C-38 is a virulent attack on provincial jurisdiction. Consider employment insurance. For all intents and purposes, the government is introducing subjective rules about suitable employment and what workers will be required to do. Of course, this will not typically affect workers earning \$100,000 or more per year. During my speech, I will refer to conversations I have had with Canadians who have shared their concerns with us.

On June 23, Rick Mehta wrote to me — he may have written to all honourable senators — to say:

[English]

I am deeply concerned about the effects this bill will have on people by raising the age to qualify for Old Age Security. . . . any changes that further degrade income will limit the ability of these people to contribute to a healthy economy and will lead to decreased prosperity for the majority of Canadians.

[Translation]

Throughout this debate, people have contacted us to tell us what they think. I think it is our duty to listen to them.

Jean-Marc Fournier, Quebec's Minister of Justice and Attorney General, mentioned another attack in a letter he sent to the Minister of Finance on April 19, after the budget was tabled. This is what he said:

We know that the purpose of this measure cannot be to deprive our government of its ability to apply to businesses governed by this act the consumer protection rules that come out of the laws under our jurisdiction. Nor can the purpose be to deprive people of their right to take action against a bank, in accordance with the civil laws in force in Quebec.

[ Senator Brown ]

He went on to say:

... Parliament cannot decide in a peremptory manner that provincial laws do not apply to a given sector.

I will share an excerpt from the minister's response:

The legislative and regulatory standards that apply to banking must be exclusive and national so that the Canadian banking system functions effectively. Just as federal consumer protection standards applicable to banking do not apply to Caisses Desjardins du Québec and financial institutions . . .

When we amended the Bank Act in 1995, banks were placed in an area of provincial jurisdiction called the securities sector. Not too long ago, I believe, the Supreme Court issued a ruling on the civil nature of the securities sector by rejecting the creation of a federal securities commission. You cannot do indirectly what cannot be done directly. Right now, when an individual does business with his bank and purchases shares through the subsidiary that handles brokerage, if there is a mistake, if the transaction goes wrong and the person was misinformed — this often happens with people of a certain age, who are careful with their money, but the person receiving these funds often does not honour their requests — if there is a conflict, the Quebec minister says that this is Quebec's jurisdiction and Quebec will protect consumers.

As far as I am concerned, I believe that, in this case, jurisdiction over banks cannot be expanded. That is why I support our amendment to delete this clause in its entirety.

There is also interference in another area of provincial jurisdiction. It is all well and good to tell people that they can to go the United States for 48 hours, spend \$800 and not pay customs duties. The problem is that if the \$800 were spent in the Maritimes — or anywhere else in Canada, except Alberta — the province would collect sales tax. In this case, the provinces will be deprived of millions of dollars in sales tax revenue. I have not seen any indication that the federal government intends to compensate the provinces for this loss, nor that the provinces were consulted about this measure.

Another attack on provincial jurisdictions concerns old age pensions and the increase in the eligibility age from 65 to 67. Low-income earners who expect to receive an old age pension and the guaranteed income supplement will have to wait an additional two years and go on social assistance, because people who do manual labour or domestic work often no longer have the strength or physical ability to continue working in later years. I would add that not only were the provinces not consulted, but all experts agree that this measure makes no sense.

As for health care funding, that was obviously a unilateral decision. There were no negotiations with the provinces, thank you very much. As for major health issues such as mental health, which is supposedly the top priority, there were no discussions about specific problems. In this case, I am referring to savings, because I am talking about billions of dollars in lost productivity every year because people are sick.

Next, I would like to speak about the Fisheries Act. The last I heard, the Quebec fisheries minister was going to talk to the New Brunswick fisheries minister and they were going to come to an agreement on how to proceed. I thought that minimum standards and the management of the fisheries fell under federal jurisdiction since it is absolutely impossible to apply multiple laws when fish know no boundaries. The last I heard, the existing legislation was working fine. This sector is being left for the provinces to look after; I refer to the criticisms that my colleagues made earlier.

This budget implementation bill is also an attack on human rights. I do not need to tell you that the representatives of the Public Service Alliance of Canada are opposed to removing the requirement for federal contractors to comply with the Employment Equity Act. The reason is simple: there are groups that have trouble finding jobs and whose unemployment rate is higher. We need to implement measures and, most of all, we need to set an example. We set an example by requiring a company with over 100 employees that wins a contract worth \$200,000 or more to have an employment equity plan in place to ensure equal rights for Aboriginal people, visible minorities, persons with disabilities and women.

There is no reason to repeal that provision. We are being assured that this will be done contractually. To me, it is not a matter of deciding whether to grant these people that right or not or whether to grant them the same rights as other workers. I think that it is important that everyone be treated equally and that, when there is an inequality in the system, it is up to the government to correct it. That is why governments exist.

With regard to human rights, there are two issues affecting Aboriginal people: First Nations land management and the First Nations Statistical Institute. We did not hear Aboriginal representatives say that extensive consultations were conducted in either of these cases. With regard to the First Nations Statistical Institute, we are referring to all the organizations, such as Statistics Canada, that describe the reality in Canada. The First Nations, more than any other Canadians, need to have accurate data to ensure that there are policies that serve interests we can discuss with First Nations groups based on objective figures. The government is simply going to do away with this institute.

• (1850)

There is also the elimination of the International Centre for Human Rights and Democratic Development. We are certainly aware — no one more than I, coming from Quebec — that the centre has had operational challenges and personnel and leadership problems. However, it is inappropriate to abolish an International Centre for Human Rights in a budget, without discussing the matter with all the stakeholders and without ensuring that there is an organization in place to take over the centre's mandate.

The only person who will be compensated is the president, and he was a friend of the Conservative Party. He will leave with a tidy sum, while all the other board members will simply be sent home, which will save the government a few lousy pennies. When we look at the billions of dollars of deficit, we can see that we are going to make up the shortfall by closing centres in this way.

The prerogatives of Parliament are also under attack. My colleagues talked about this, journalists talked about this, and even young people wrote to us about this. They told us that our role was to listen to them, to hear them. I spent hours listening to witnesses make excellent proposals, which we could have discussed, but all my colleagues know that there was no room for discussing, let alone improving this bill.

Something else I fail to understand is the fact that the Office of the Superintendent of Financial Institutions is being tasked with overseeing CMHC. This is being billed as a protective measure for good governance. However, there is a conflict of interest because there will be two deputy ministers sitting on the board of directors. If the deputy ministers in question make mistakes, I suspect they will have to report to their minister or their department. Who will have the final say? The Office of the Superintendent of Financial Institutions? The President of the Treasury Board? The Minister of Finance? This not only makes no sense, but there are two organizations in Canada that have dealings with the private sector, with businesses: Export Development Canada and the Business Development Bank of Canada.

Oddly enough, in the case of one of these organizations, a bank, the Superintendent of Financial Institutions will not have oversight of its administration. If there was some logic to this bill, either all three or none of these institutions would be included. With respect to CMHC, we are very aware that it dominates the market, but it played a truly strategic and fundamental role during the 2008-09 economic crisis. Through the CMHC, the government rebalanced the finances of our major Canadian banks and, with the financial support of the U.S. and Canada, almost \$100 billion in mortgages were bought by the governments in order to provide the banks with the liquidity they needed to sustain the Canadian economy.

It cannot be said that CMHC is poorly managed.

[English]

**The Hon. the Speaker *pro tempore*:** Is the honourable senator asking for more time?

**Senator Hervieux-Payette:** Yes.

**The Hon. the Speaker *pro tempore*:** Honourable senators, is more time granted?

**Hon. Senators:** Agreed.

**The Hon. the Speaker *pro tempore*:** Five minutes is granted.

[Translation]

**Senator Hervieux-Payette:** I will continue by saying that my colleagues spoke about charitable organizations, but I want to speak about someone who is highly respected in Quebec, Steven Guilbeault of Équiterre. He said:

... the government is giving itself immense powers. The Canada Revenue Agency will be able to suspend an organization's charitable status if there is the slightest

suspicion of non-compliance. It seems to me that the last time I checked we were still living in a country where the rule of law prevails.

If Mr. Guilbeault, one of the most respected people in Quebec, questions the approach of Bill C-38 when it comes to charitable organizations, I must say that we should pay attention and set some guidelines to ensure that there are no abuses.

Several other acts are covered by the bill and have nothing to do with the budget, such as the Corrections and Conditional Release Act, the Food and Drugs Act, the Seeds Act, the Health of Animals Act and the Immigration and Refugee Protection Act. There is no way I could ever justify this to Canadians as a budget implementation bill. These matters must be examined independently with experts in each field.

Who could forget the damage that has been done to Canada's reputation on the world stage; this is fundamental. The elimination of the Kyoto Protocol Implementation Act, the drastic changes to the entire environmental assessment process and amendments to the Canadian Environmental Protection Act are all part of this measure, not to mention the abolition of the National Round Table on the Environment and the Economy, whose independent experts recently stated that Canada is not likely to reach its 2020 greenhouse gas emissions reduction target.

Caroline Hébert wrote:

[English]

My greatest concern is that the world does not know of our Canadian human rights failures among our First Nations.

[Translation]

Later, she states:

[English]

Canada wants to sell you its oil and gas but won't trade its principles along with it.

[Translation]

She mentioned Mr. Harper.

Obviously, we completely agree that we should not be ruled by market forces. I think we have a right to manage our resources in a responsible manner, but the measures in this bill do not make us appear very responsible.

In closing, I would like to quote David Saints, who says:

[English]

We need to change our habits; we need to innovate; we need to create more sustainability and inclusiveness; we need to achieve a balanced economic system; and we need to remain optimistic, lucid, principled and responsible. Bill C-38 appears to promote the exact opposite. Please do not let this happen to our country.

[ Senator Hervieux-Payette ]

That is what a Canadian citizen is begging us to do, a Canadian who votes at every election, is responsible and has been paying attention to our budget.

Ms. Karen Janigan says:

As senators, you have a duty to uphold your oath when you became a senator and do what is right for Canada above all else. Please exercise your power and stop this travesty of a bill.

[Translation]

Like me and all of our colleagues, she is concerned that we have not been able to do our job properly, that we have been swamped with too many pieces of legislation in this one bill, that Canadians will not be well served by this process, and that it makes a mockery of our democracy.

I call on all honourable senators, Liberals and Conservatives alike, to vote against this bill.

[English]

**Hon. Nicole Eaton:** Honourable senators, it is with a great deal of pleasure that I rise today to discuss ways in which our government is delivering for Canadians through Bill C-38. I would like to begin by highlighting some economic results.

Between July 2009 and May 2012, over 760,000 net new jobs have been created, 90 per cent of which are full-time jobs, the result of the strongest job growth rate in all G7 countries during the recovery.

While Canadians can be proud of their country's economic performance, we recognize that the global recovery remains fragile. Our government certainly recognizes that the job is not done; there are still many Canadians looking for work, and we need to continue to build the foundation for long-term success.

In short, Canada is not immune to the possibility of future global economic challenges. That is why we are staying focused on a plan to make Canada's economy stronger for today and tomorrow, with prudent growth initiatives and responsible spending of taxpayer dollars. We call that plan delivered through Bill C-38 *Economic Action Plan 2012*. The plan stays squarely focused on what matters most to Canadians and their families: jobs and economic growth.

Some of the key initiatives that are doing just that include renewing the hiring credit for small business, which directly supports hiring by the businesses at the heart of our economy; continuing to expand free trade to open markets and help create more jobs; investing in education to help make sure our workforce is ready to take advantage of the jobs of today and tomorrow; protecting Canada's fiscal strength by delivering services more efficiently, creating savings to balance the budget over the medium term; and investing in innovation to help bring the good, high-skilled jobs of tomorrow to Canada.

These are just some of the ways our Conservative government is keeping Canada's economic recovery on track. Our government's Economic Action Plan, a plan for jobs, growth, and long-term

prosperity, builds on Canada's successes by implementing moderate restraint in government spending. The majority of savings will come from eliminating waste and duplication in internal government operations and, by doing this, we will be able to stay on track to balance Canada's budget over the medium term.

• (1900)

I would like to be clear on two very important overall aspects of our plan. The first is that we are not raising taxes. That is a reckless idea that only opposition parties like to advocate.

I could easily go on and on about all the fantastic benefits contained in Bill C-38. However, my time is limited and I would like to focus on two provisions near and dear to my heart.

Before I do, I wish to address misleading comments made by several colleagues across the aisle.

During debate on Bill C-38, they distorted the purpose of the inquiry that I launched into the transparency and accountability of charities, and they blatantly misrepresented the one-sentence question that I posed during my interview on CBC's *As It Happens*. My question was simple: Why is the United Church boycotting Israel?

Several members opposite have themselves questioned the behaviour of the United Church. Is it not true that Senators Munson, Cowan, Baker and Hubley are signatories of a letter to the moderator of the United Church of Canada registering concern that the "United Church will be considering a policy of boycott against the products of the Israeli settlements," and is it not true those senators further urged the moderator "to use her voice to speak out against these proposals"? Enough said. Now back to my train of thought.

The first has to do with a lifelong passion: arts and culture. Our government recognizes that the arts and culture sector is an important generator of jobs and growth. In challenging economic times, Canada's Economic Action Plan included investments in culture, such as periodicals and the audiovisual sector. The government also chose to increase funding for arts and culture by providing economic stimulus through additional cultural infrastructure spending. This government believes that supporting the arts is essential to supporting Canada's economy and quality of life and will maintain ongoing strong support for Canadian culture.

Bill C-38 also supports the arts by strengthening the Canada Travelling Exhibitions Indemnification Program. This program helps Canadian museums and art galleries reduce their insurance costs when hosting major exhibitions. To achieve this, the government proposes in Bill C-38 to raise the indemnification limit from \$1.5 billion to \$3 billion. This increased support will be complemented by a change to the calculation period and an increase in the maximum level of support for exhibition from \$450 million to \$600 million. These important modernization initiatives will help art galleries and museums attract more internationally acclaimed treasures to Canada.

Canadians are proud of their museums. Taken together, national and local museums and communities all across Canada are some of the best in the world.

In fact, our government created two national museums: the Canadian Museum of Immigration, Pier 21 in Halifax, and the Canadian Museum for Human Rights in Winnipeg.

Canadians value museums, the stories they tell, the collections they house and the roles they play in preserving our culture. Because of this, Bill C-38 will continue funding Canada's national museums.

For over 50 years, the Canada Council for the Arts has been a leading supporter of Canadian artists. The government has increased funding for the Canada Council to its highest funding level ever.

Honourable senators, every one of us recognizes what a positive impact the change to the indemnification limit will have on Canada's arts and culture sector. This is one of the provisions in Bill C-38 that received unanimous consent during clause-by-clause consideration by the Standing Senate Committee on National Finance.

My second point has to do with a lifelong commitment: charity. The Government of Canada provides registered charities with generous assistance under the tax system in recognition of the valuable work they perform. As all honourable senators know, registered charities are exempt from tax on their income and may issue official donation receipts for gifts received. In turn, donors can use these receipts to reduce their taxes by claiming a charitable donations tax credit for individuals, or charitable donation tax deductions for corporations.

In 2011, federal tax assistance for the charitable sector was approximately \$2.9 billion. At the request of the government, the other place is studying current and proposed incentives for charitable giving to ensure that the tax incentives are as effective as possible.

Canadians have shown that they are willing to donate generously to support charities, but want to be assured that charities are using their resources appropriately. In this regard, charities are required by law to operate exclusively for charitable purposes and to donate their resources exclusively to charitable activities. Given their unique perspectives and expertise, it is broadly recognized that charities make a valuable contribution to the development of public policy in Canada. Accordingly, under the Income Tax Act, charities may devote a limited amount of their resources to non-partisan political activities that are related to their charitable purpose.

On February 28, 2012, I launched an inquiry with many of my colleagues into the involvement of foreign foundations in Canada's domestic affairs. During the course of that inquiry, concerns were raised that some charities may not be respecting the rules regarding political activities.

There have also been calls for greater public transparency related to the public activities of charities, including the extent to which they may be funded by foreign sources. The Canada Revenue Agency, CRA, as the administrator of the tax system, is responsible for ensuring that charities follow the rules. Accordingly, to enhance charities' compliance with the rules

with respect to political activities, Bill C-38 proposes that the CRA enhance its education and compliance activities with respect to political activities by charities and improve transparency by requiring charities to provide more information on their political activities, including the extent to which these are funded by foreign sources. These administrative changes will cost \$5 million in 2012 and \$3 million in 2013-14.

This bill also amends the Income Tax Act to restrict the extent to which charities may fund the political activities of other qualified donees and to introduce new sanctions for charities that exceed the limits on political activities or that fail to provide complete and accurate information in relation to any aspect of their annual return. In an Angus Reid poll conducted mere days after the budget was tabled, 80 per cent of those asked agreed with these clauses that would make charities more transparent and accountable.

Our plan is one that is praised across the country. For example, the Canadian Federation of Independent Business praised the extension of the hiring credit for small business, stating:

... extending this credit makes it easier for them to continue to support Canada's economy recovery by creating jobs.

The Association of Universities and Colleges of Canada expressed support for our plan to increase research and innovation, while the Council of Ontario Universities praised our commitment to university research.

We are not getting help in passing legislation that is essential to keeping our communities safe or promoting job creation and economic growth — quite the opposite. The NDP, in particular, prefer obstruction and delay. They tried to block reasonable measures to put the rights of victims ahead of the rights of criminals. They oppose responsible development of Canada's natural resources, a key part of our economic success. They even go abroad on their very public, vocal, anti-jobs and anti-Canadian junkets. Very shameful.

From calls for a moratorium on oil sands development to attempts at pitting region against region, Thomas Mulcair and the NDP have become a major threat to Canada's economy, to our job creation and to our unity.

• (1910)

In fact, for all their talk, the NDP even voted against our measures to support seniors, measures including pension income-splitting, increasing the age credit and even the GIS top-up. Instead the NDP advocates job-killing taxes and reckless, out-of-control spending. Their policies would threaten the recovery and damage our long-term fiscal strength by driving us deeper into deficit just as we are on track to balance the budget.

Regardless, our Conservative government will keep working to overcome opposition obstruction and implement our low-tax plan to sustain economic growth and support Canadian families. We are focused on what matters most: jobs, growth and long-term prosperity.



Honourable senators, Bill C-38 is delivering results. By international comparison, Canada is doing well in creating jobs, but there is much more to be done to help ensure our country stays on track. I am confident our government's plan is the right one for Canadians today, tomorrow, and from coast to coast to coast. That is why I am proudly supporting Bill C-38 and encourage everyone in this chamber to join me in voting to pass this important legislation.

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

**Senator Eaton:** Yes.

**Hon. Terry M. Mercer:** I will go back to the honourable senator's attacks on charities and their activities in the public. I have had some experience working for charities, only about 35 years of it.

**Senator Eaton:** You are a little older than I am.

**Senator Mercer:** I have a little difficulty understanding the honourable senator's definition of "lobbying."

Let us go back to the time I was Executive Director of the Kidney Foundation of Canada. Our job was to take care of patient services, provide money for medical research and to conduct public education. Conducting public education was conducting education of all the public, including the governments of the day.

At that time, in the province of Nova Scotia, organ donor cards were not attached to drivers' licences. We heard today that our colleague Senator Poy gave the gift of life to her son by donating one of her kidneys. What a magical moment that is for her family, for her son and for the rest of us to understand how important it is. I have had the privilege of knowing dozens and dozens of kidney patients who have received kidneys.

The Kidney Foundation recognized this problem and there were not enough people signing donor cards.

**The Hon. the Speaker *pro tempore*:** Finish your question, please.

**Senator Mercer:** What did we do? We spent a good deal of time and energy lobbying the government. The Kidney Foundation did that in province after province across the country, to have the organ donor cards attached to drivers' licences, and then lobbied government to conduct campaigns to urge Canadians to sign organ donor cards to help save the lives of thousands of Canadians. Is the honourable senator telling us today that this lobbying should not be part of their charitable work?

**The Hon. the Speaker *pro tempore*:** Before the honourable senator responds, her time is up. Is she asking this chamber for more time? Is more time granted, honourable senators?

**Hon. Senators:** Agreed.

**The Hon. the Speaker *pro tempore*:** You have five minutes.

**Senator Eaton:** I thank the honourable senator for the question. The Kidney Foundation of Canada does wonderful work. There is no question about that. No one is questioning the Kidney

Foundation. What all this will do is make all the activities that the Kidney Foundation of Canada engages in more transparent, so when I go online I can see exactly what the foundation is up to. The honourable senator is such an open person himself, I cannot believe he would have difficulty with transparency. That is all this bill is asking for and all the CRA will enforce.

**Senator Mercer:** If one asks the CRA officials, who have spent a long time working with the charitable sector in determining what is needed in reporting, both for CRA purposes and from the charity's side, the CRA has been doing a good job. I am not one who is critical of the CRA. They have the ability today to police the sector in detail and they have indeed imposed penalties where people have strayed.

Let me provide one more example, and the honourable senator will tell me if this should be a problem. The Canadian Diabetes Association lobbied the Government of Canada — I watched them do it — diligently, lobbied all members of Parliament and all senators at the time, to get the government to commit to a major diabetes effort across the country, particularly in Aboriginal communities. Guess what? The government of the day — Mr. Martin was Prime Minister — said that it was a good idea because it would save millions of dollars in the future by cutting down the cost of health care.

It saved millions of dollars and probably saved thousands of lives. Is the honourable senator telling us that that lobbying should not have happened?

**Senator Eaton:** The honourable senator is using the same example and I will give the same answer. Thank God for those charities in Canada. We have a better and stronger community because of them.

The CRA is doing a very good job, but they needed more money to enforce and check. I think the more transparency we have in political funding, the more transparency we have in charitable funding, the better. I do not know why there is such drama over the — excuse me, Senator Cordy. Ask your question.

I do not know what the problem is with transparency. Do you see a problem? I do not think the Canadian Diabetes Association or the Kidney Foundation of Canada will have any trouble with transparency.

**Hon. Art Eggleton:** I have a straightforward question. The honourable senator laid out a case for the openness and transparency of charities. She talks about political activity. Where does she draw the line between political activity and social advocacy? Perhaps the Kidney Foundation of Canada would want to advocate on behalf of a number of these organizations, and it may mean they are sending representation to government.

In terms of political activity, is she talking about partisan activity or what exactly is she referring to?

**Senator Eaton:** It is a straightforward answer. I am not in the job of enforcing it. The CRA is.

**Senator Eggleton:** What does the honourable senator mean by it?

**Senator Eaton:** They will decide, and that is why they have more money. They will decide what crosses the line and what does not. It is not for me to say, sitting here in the Senate.

**Senator Eggleton:** The honourable senator has accused people of being un-Canadian and suggested that people who oppose the pipeline —

**Senator Eaton:** Who have I accused of being un-Canadian?

**Senator Eggleton:** The people who oppose the pipeline, because they are environmental groups that feel that is the wrong way to go. Is that what she is calling political activity?

**Senator Eaton:** First, I have never accused anyone of being un-Canadian. It is amusing, one has to admit.

Since the budget came out, and all this money was put in the budget to enforce, a lot of foundations have changed their websites and their tune. Tides Canada came out yesterday with, “We will be transparent.” It is amazing how people are scrambling to be transparent. That is all we are asking for.

It is not up to me to decide who is being political and who is not. That is for the CRA. That is the CRA’s job.

**The Hon. the Speaker *pro tempore*:** Further debate?

**Senator Eggleton:** I have a couple of follow-up comments to Senator Eaton’s presentation. She was talking about things that she feels passionate about. I understand that and appreciate her remarks.

I must say, in connection with the arts and culture comments, one of the things that I find about this government is what it gives with one hand and takes away with the other. There may be some increases. She points out that the Canada Council for the Arts is at the highest level ever. If one adds inflation, every year one could say that everything is the highest level ever. That does not tell us anything. The one hand does take away, the CBC being an example of that particular case. One has to be leery about the kind of things this government supports because it does cut an awful lot of other things as well.

• (1920)

About the question of charities, there is no doubt that some comments have sent a chill through the community. I do not see any problem with openness and transparency as long as we are also seeing it in the organizations that the honourable senator’s party might have more support for, such as the gun control folks.

**Senator Eaton:** It applies to everyone.

**Senator Eggleton:** Yes, that is fine.

Let me get on to three aspects of this bill. First, the legislative process; second, Senator Ringuette’s amendment; and third, the immigration issue that was before the Social Affairs Committee.

Honourable senators, we have heard a number of times, but I think it bears repeating once again, that the construction of Bill C-38 in its many, many parts is an abuse of parliamentary process and an abuse of power. It is simply not reasonable; it is not practical for reasonable debate on all of these issues, all in the confines of one bill.

We have had omnibus bills before. There is nothing new about them — either Liberal or Conservative, that is true — but there is nothing that compares in scope or scale to this bill that we have in front of us today. The bill is over 420 pages long, contains some 720 clauses, amends or repeals some 70 statutes, including major ones like Canada’s environmental assessment laws and the laws that protect fish habitat. It dismantles the National Round Table on the Environment and the Economy, the National Council of Welfare that tries to help the poor people of this country, the Rights & Democracy organization, the Public Appointments Commission, the inspector general that acts as a check on CSIS, and the list goes on from there. It makes extensive changes to Canada’s social safety net, including Employment Insurance and Old Age Security.

The government justification is that it is all related to the economy. I guess you could say just about everything we do in one way or another is related to the economy. Maybe they are heading down the path of having one bill every year, just this one bill that will have everything in it because it all relates to the economy. I hear Senator Wallin saying it is a good idea. I think it is a bad idea, and I hope that my colleagues opposite, when they talk to the Prime Minister, when they talk to their cabinet colleagues, when they talk in caucus will say, “Let us not do it this way again. Let us keep a budget bill down to what are reasonably budget issues and deal with everything else in separate legislation.”

The Deputy Leader of the Government in the Senate, Senator Carignan, said earlier today that there had been a lot of discussion about these different parts of the bill in the committees. One thing I find strange, for a chamber of sober second thought, is that notwithstanding all the things that were said in the very limited time we had to hear from the public, not one of these things seems to find favour with any of the Conservatives in this chamber, not one. Did no one say anything worthy of an amendment? Did absolutely nothing come of that? Is this just a decision that it is the government all the way and that is the way it is, deaf ear to what people say, just support the government, stand up and support en masse? I think that makes a mockery out of the concept of sober second thought. What is sober second thought for if it is not to look at reasonable ideas and then try to make the kind of amendments that would make the legislation better?

Second, I will refer to three parts of the amendment Senator Ringuette put forward yesterday. I really have a hard time understanding why Old Age Security is in this bill at all when we have the Chief Actuary, other actuaries and the Parliamentary Budget Officer all saying that this is really not necessary. It does not take effect for a long period of time anyway, but it is really not necessary in terms of the public accounts of this country.

I am concerned how it will affect people. Many people probably will still want to work beyond 65. I guess most of us in here are doing that, and fine. I intend to work as long as I possibly can. I

will work until I drop, so that is fine. However, I am in reasonably good health, at least at this point — knock on wood — but many people are not. There are many physical labourers who, when they come up to age 65, cannot really go on any longer. Many of them also do not make a lot of money. For them, the pension plan and perhaps the GIS as well as the OAS — because you have to have the OAS to get the GIS; remember that — are a needed boost at age 65, yet I see nothing that talks about those people. There is just some assumption that people can work beyond 65 now because we are all in better health. That is not the case for all, and that is the problem and what concerns me most of all about these people affected by this provision of Old Age Security. I support the amendment provision that says we should delete that clause.

Another one is the EI changes. New formulas are coming out. You have so long to look for a suitable job, and if you do not, then the next few weeks after that you get even less. I cannot remember all the schedules. I have not got them in front of me, but honourable senators know what I am talking about. It all seems to be based on the phrases “suitable work” and “suitable employment.”

The problem is these are not defined by the government, yet the devil is in the details. That is a very important element, and the amendment in this case says that the minister should be accountable to Parliament for that, not just the minister making the decision on his own. We are giving these ministers a lot of discretion to make decisions without any reference to Parliament. This should go to Parliament, and therefore, the amendment is to the effect that there be wider scrutiny and accountability and oversight by Parliament on the definition of “suitable employment,” and that definition should be submitted to both houses of Parliament for examination of impact and potential legal issues.

One further amendment is on immigration. This thing called “ministerial instructions” first came about in the budget bill of 2008. The minister — I think it is the same minister, Minister Kenney — has used it four times. This is beginning to accumulate. An awful lot of decision making about Canada’s immigration system is being done by ministerial instruction, which again is not reportable to Parliament. There is no oversight by the Parliament of Canada. That is wrong. This amendment, which particularly relates to a further ministerial instruction provision in Bill C-38, suggests the need for parliamentary oversight so that both houses of Parliament can examine for the impact and potential legal issues involved in any particular ministerial instruction.

The one particularly in Bill C-38 has to do with the fact that minister will now be able to set new categories, new subcategories, of skilled worker immigrants. He has a quota on each category, but there is no quota as to the number of categories. This could expand into something big, and I think we need more parliamentary oversight, more opportunity for sober second thought. What is Parliament if it is not able to provide that kind of oversight in either one of our houses? I think it is important that we do that.

Finally, let me talk further about immigration in the context hearings of the Standing Senate Committee on Social Affairs, Science and Technology. We heard a number of representations,

which are also being ignored, on temporary foreign workers. That is getting into quite a jumbled mess. We have a relaxing of the rules and oversight with respect to temporary foreign workers. Employers used to have to advertise for five days on the Canada Job Bank website. Things are being relaxed in that regard, and fewer will be subject to compliance review, all by audit.

• (1930)

Some of the witnesses also pointed out that the regulation changes that allow for temporary foreign workers to be paid 15 per cent less than the regional average wage will mean a huge advantage for non-unionized employers and will drive wages down. Concerns have been raised about the impact of all of that.

Conflicting with that is the attempt by the minister responsible for Employment Insurance to get more Canadians to take some of these jobs. We will have to keep a very close eye on that and see what happens.

The one that I want to finish with is most regrettable for Canada and Canada’s reputation in the world, and that is the deletion of the backlog of the federal skilled worker applicants. There are approximately 100,000 of them, and when you add their families in it affects some 300,000 people. These are people who have followed the rules and are now being told, “Sorry, we are no longer processing your applications. You can come back and file another application, but we have new rules in different categories. You can go back to the starting line again if you qualify.”

I do not think that helps Canada’s reputation for fairness. Canada has been considered to be a fair and just country, following rules and laws. Now we are suddenly saying that we are throwing this out. This will damage our reputation. People will say that Canada tells you to apply and then throws your application out and changes the rules.

In fairness, many of these people have waited many years to have their application processed. They put their lives on hold. Many of them put their education, their employment or getting married on hold because they thought they would be examined by the rules under which they applied. Now, suddenly, their hopes are dashed and they are told that their application is no longer being processed.

There is no need to do this, honourable senators. For people who apply under the new rules, the government is saying that it will take about three months, if that, to process applications. If they can do that, they can also put enough resources into getting this backlog dealt with in a fair and just way. This will probably be challenged in the courts as being contrary to law, but we will see what happens. To me, it is not so much the legal question as the question of reputation and our integrity in the immigration field. It is a question of fairness to these people.

In summary, I recognize that there are good points about the budget bill. In fact, some of us noted a couple of them in the committee. One is called the Canadian immigration integration project. It provides a free two-day seminar on integration, job search and foreign credential recognition. That is a good program, and I commend the minister for that. We think it should be expanded, as should attempts to support immigration in countries —

**The Hon. the Speaker *pro tempore*:** I regret to inform the honourable senator that his time has expired.

**Senator Eggleton:** May I have five more minutes?

**The Hon. the Speaker *pro tempore*:** Is more time granted, honourable senators?

**Hon. Senators:** Agreed.

**The Hon. the Speaker *pro tempore*:** You have five more minutes.

**Senator Eggleton:** Thank you.

There are good things in this budget but, unfortunately, it is badly flawed by other things. Everything but the kitchen sink is in here. It really should not be that way, and I hope that senators opposite will try to ensure that next time we do not get a monster omnibus bill steamrolled through the House of Commons and then through the Senate.

**Hon. Michael Duffy:** Honourable senators, I am proud to stand here tonight and support Bill C-38, a roadmap to Canada's future prosperity. This forward-looking budget was prepared under the brilliant leadership of Prime Minister Stephen Harper and the Minister of Finance, Jim Flaherty. Canadians are fortunate to have this outstanding team at the helm during these difficult economic times.

Tonight and over the past few days we have heard a lot of weeping and moaning from the opposition. One is constantly amazed by their vast reservoir of synthetic indignation and crocodile tears. Perhaps nowhere has there been more obfuscation and confabulation than on the issue of American-based political action groups. Some of these groups have an agenda designed to stifle Canada's economic growth while keeping us under the thumb of huge American corporations. The true agenda of these groups was exposed to Canadians by independent researcher Vivian Krause of Vancouver. Just this week, in a piece in the *National Post*, she shed new light on the interlocking relations among these powerful and unaccountable groups.

One of the most important of these groups is Tides Canada, a subsidiary of the U.S. Tides Foundation. In her op-ed piece Ms. Krause asked: Why did the Tides Foundation of the United States found Tides Canada? Tides USA is a co-founder and co-funder of the Rockefeller Brothers Tar Sands Campaign — Standard Oil of New Jersey, anyone — the first goal of which is to stop or limit pipeline and refinery expansions. However, of all the hundreds of pipelines in North America, the only pipelines the Rockefellers single out in their multimillion-dollar campaign are the Mackenzie Valley and the Enbridge Northern Gateway, pipelines that would export Canadian energy. The Rockefeller brothers also seek to ban oil tanker traffic, but again they only oppose oil tankers on the strategic coast of British Columbia and in the Far North, those exports bound to Asia.

The Rockefeller Brothers Tar Sands Campaign involves the following: the World Wildlife Fund, the Pembina Institute, Greenpeace, the Sierra Club, the Natural Resources Defense Council, the Indigenous Environmental Network and other environmental groups funded through Tides USA. The annual

budget for this campaign against Canadian oil is \$7 million. These groups say they would stop pipelines and tanker traffic by, in their own words, “raising the negatives”; “raising the costs”; “slowing down and stopping infrastructure development”; and “enrolling key decision-makers” in their campaign against Canada.

In tax filings, Tides USA has reported to the United States Internal Revenue Service that Tides Canada and Endswell Foundation are related. To repeat, Tides Canada and another group called Endswell Foundation in Vancouver are related. Indeed, for many years all three organizations had Drummond Pike and Joel Solomon at the helm. Pike is the founder of Tides USA and was CEO for 34 years until he stepped down in 2010. Pike has been on the board of Tides Canada since 2000 and he is its founding chair.

Joel Solomon is the former chair of Tides USA, and the vice-chair of Tides Canada. Pike and Solomon are also, at the same time, Endswell's long-time chair and president respectively.

• (1940)

During the 1990s, Endswell was the largest funder of environmental groups in B.C. Between 2003 and 2009, Endswell made grants totalling \$8.7 million, and of that, 99 per cent went to Tides Canada. Given that the senior leadership of Tides Canada and Endswell is the same, these organizations are, in effect, two pockets in the same pair of pants. They have simply been transferring money from one pocket to the other.

For more than 10 years, the treasurer of Tides Canada and Endswell was the same person, James Morrissey, a senior accountant at Ernst & Young. One would think that it would have been fairly straightforward for Endswell to grant funds to Tides Canada, but here is the interesting part. Why, then, did Endswell need to spend \$11.4 million on overhead between 2003 and 2009 so that Endswell could grant \$8.7 million to Tides Canada?

Some honourable senators got upset when someone used the phrase “money laundering,” so I will not use that phrase tonight. However, I would say that there is a lot to be looked at here. Our friends opposite would do well to read some of the research on this important issue.

**Senator Mockler:** Standing up for Canada.

**Senator Duffy:** Let me ask you this: Why did Endswell's annual overhead nearly triple from \$797,000 to \$2.2 million even though Endswell itself did not make a single grant to any organization other than its cousin, Tides Canada? For several years in a row, Endswell's overhead exceeded grants.

Senator Mercer knows about the charitable sector, but when an organization's overhead is more than what it is doing for charity, would you endorse that, Senator Mercer? I doubt it.

**Senator Mockler:** I will not.

**An Hon. Senator:** Way to go, Senator Mockler!

**Senator Carignan:** What a surprise.

**Senator Duffy:** Endswell's assets over that same period of time went from \$26 million down to \$196,000. Where did the money go? Did Endswell transfer assets to Tides Canada? If not, where did it go?

**An Hon. Senator:** It leaked out.

**Senator Duffy:** Why does Tides Canada focus so much of its grant making —

**Senator Mercer:** They are —

**An Hon. Senator:** Polluting the airwaves.

**Senator Duffy:** Careful, senator; we may start checking the *Bluenose* next.

Why does Tides Canada focus so much of its grant making on the north coast of B.C., Canada's strategic gateway to Asia? According to Ms. Krause's analysis and calculations based on Tides Canada's American tax returns, during 2008, 2009 and 2010 Tides Canada made grants to 236 organizations for a total of \$56 million. Of that, \$28 million went to First Nations on the north coast of B.C., \$8 million went to environmental groups and \$12.5 million was for Tides Canada's internal projects, most of which are on B.C.'s north coast. Only \$7 million, 12 per cent of the \$56 million that Tides Canada granted between 2008 and 2010, went to organizations outside of a core group of B.C. First Nations, environmental groups and internal projects.

As far as one can tell, Tides Canada has funded no group that supports the Enbridge pipeline. All of the First Nations and environment groups funded by Tides Canada — guess what? — got the cash, and they are opposed to the pipeline.

It would be interesting to know what Tides Canada defines as "charity" and how it provides a measurable benefit to the public, which is what charities are supposed to do, to support campaigns that block trade and let the U.S. keep Canada literally over a barrel.

Honourable senators, there is a real need for transparency in the operations of these so-called charities. It is not just on the West Coast. As the Halifax *Chronical-Herald* declared in an editorial this week in relation to another case, which I am sure will become more in the news over the next few months, "Open the books," let the sunshine in, let Canadians know who is trying to stifle economic growth, using their concern about the environment to camouflage their real agenda.

We need this budget for Canada's economic future, and we need transparency among charities so that the bad apples do not undermine the credibility of the many, many thousands of great charities.

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

**Senator Duffy:** Let the sun shine in.

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

**Senator Duffy:** Sure.

**Senator Mercer:** You had a good go at Tides Canada, but you failed to mention other American charities that are operating in Canada. How about the Koch brothers or the Koch Foundation, the founders and funders of the Tea Party in the United States, who are huge donors to the Fraser Institute, a Canadian charity known for its right-wing attitude, for its right-wing positions and for its support of the pipelines that you are talking about. What about the Koch brothers and the Koch Foundation?

**Senator Duffy:** Senator Mercer, it applies to everyone. Let the sun shine in.

**Senator Eggleton:** A lot of the advertisements about what is going on in the oil sands these days come from the Canadian Association of Petroleum Producers, but the members of that association are largely foreign-owned. Is that not the case? Should they not get the same kind of treatment that you are giving to the charities?

**Senator Duffy:** I am sorry; I missed part of Senator Eggleton's question. However, if the question is whether commercial operations the same as charities, they do not pretend —

**Senator Eggleton:** On the one hand you are saying how un-Canadian the other efforts are, the opposition efforts are, but on the other hand the people who are proponents are foreign-owned corporations. China, for example, one of the big coming owners, also has trade relations with Iran, which are not exactly favourable to Canadian policy either.

**Senator Duffy:** I am glad, senator, to see you come out in support of ethical oil.

**An Hon. Senator:** Hear, hear!

**Hon. Jane Cordy:** Senator Duffy certainly gave a lengthy speech about charities, but that is not all that the budget contains. It is over 400 pages and it affects over 70 acts.

Being a senator from Prince Edward Island, how do you feel about the changes to EI that are contained in this budget and that will affect a number of people in your province of Prince Edward Island?

**Senator Duffy:** The changes in there are national and affect the whole country. Prince Edward Island will be in no way damaged or affected any differently than any other part of the country. Prince Edward Islanders are hard-working, honest people who are willing and able to adapt to changing times.

**Senator Cordy:** I certainly agree with you that all Canadians are hard-working people. Yet the aspects of the EI legislation within this omnibus so-called budget bill are very punitive for people who are in seasonal industries.

One of the changes coming about because of this budget bill is that the appeal panel, the board of referees, will be gone. They will be replaced so that instead of having boards of referees in every province or in every region of every province, three-person appeal boards made up of an employer representative, an

employee representative and a government representative will now be replaced by one government representative to hear appeals. That will be 37 people in Ottawa dealing with all the appeals from across the country. In addition to that, if one's appeal fails with this one individual, this one political appointment, then there is no further appeal because the umpire position has been removed.

• (1950)

How will the people of your province feel about having little or no appeal, and the appeal will not be made face-to-face but will be made to someone in Ottawa?

**Senator Duffy:** I thank the honourable senator for the question. One of the really damaging things that goes on in our region of the country is the fear-mongering by members opposite. The member for Cardigan is an old friend of mine, but you can tell when an election is coming. He runs around Prince Edward Island saying they are going to cancel the ferry. Guess what happens? They do not cancel the ferry, and then he says, "Oh, they did not cancel it because I spoke up." Recently, when he raised this canard, the Minister of Transport reported that the member for Cardigan had never written a letter to Ottawa making representations.

I will take your representations tonight and pass them on to the minister, where I am sure they will get the consideration they deserve.

**The Hon. the Speaker *pro tempore*:** Honourable Senator Duffy, your time has expired. Are you asking for more time? No.

Is there further debate?

**Hon. Roméo Antonius Dallaire:** I am not going to talk until all this babbling stops and it had better not count against my time.

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

**Senator Dallaire:** I find it rather interesting that we were talking about charities and a budget, and we end up again in ethical oil. I always find that interesting because that seems to be the fallback position of ethical oil.

When I was in Los Angeles, at the University of Southern California, I met with a prominent industrialist who produces steel and is in the oil industry. He told me that he is building a lot of the infrastructure in Saskatchewan and Alberta using American steel. That steel is refined there, made there and brought up and sold in Canada because it is cheaper for him to do that in the United States than actually buying Canadian steel because, of course, Hamilton steel works have gone absolutely bust.

This man also said that the pipes they will be using are also being made in the United States. Some are even being made in Thailand and will be brought over in order to feed our requirements for piping because, again, it is cheaper than having pipes made in Canada.

He also added that oil that is going down there will be refined in new refineries he is building in Illinois and not in Canada. He will refine it in Illinois to meet his requirements. They are getting all these significant aspects of refining capability while we are just pumping out oil.

[ Senator Cordy ]

Another argument comes in, and that is the actual ethical dimension of this oil. I find it interesting that in east end Montreal, where there used to be seven oil refineries, there is now only one. The oil refineries in east end Montreal, Quebec City and the Maritimes are fed by oil coming from Venezuela and the Arab states — unethical oil that we are buying from them to feed our oil refineries in Canada, although we have less, so we are also buying refined fuels from the United States. However, we are buying this unethical oil to feed the eastern part of the country.

Honourable senators, the argument I raised here before is why are we on one side of the country ready to sell ethical oil, and on the other side of the country we are prepared to buy unethical oil to feed our requirements? The answer was that it is just not good business to build a pipeline from Western Canada to Eastern Canada. Because it is not good business, we accept and tolerate that we will sell our ethical oil to the Americans and you on the eastern side can buy unethical oil.

I am not too sure whether we are *bicéphale* in our philosophy of how we can handle the ethics of that argument, but that is not even the essence of why I rise to speak. It was just a response because I lived in the middle of the fourth largest petrochemical city in North America. That petrochemical industry has disappeared in Eastern Canada totally, yet there are more cars now than there used to be. Therefore, something is not working in the process of Canada actually gaining the benefits of all the oil we are producing in this great country.

[Translation]

Bill C-38 is a perversion of our democratic structure and our system of governance and accountability to Canadians.

This bill contains 420 pages, 720 clauses and 70 bills, many of them amendments. We have had very little time to study this bill. I believe that this situation gives us good reason to seriously doubt the value of our monthly paycheques. Are we moving toward processes that force us to meet deadlines and surrender to an utterly perverse legislative system?

Honourable senators, I am concerned about three aspects in particular. The first is changes to the RCMP health program. Henceforth, they will no longer have access to a nation-wide health system, like the Armed Forces, and will have to rely on the provinces. Since they are regularly transferred from one end of the country to the other, they will constantly have to transfer from one system to another. This situation will have a negative impact on their operational capabilities. The federal government will reduce its costs, but the provinces will once again have to pick up the tab.

The second aspect I am concerned about is the elimination of the position of Inspector General of the Canadian Security Intelligence Service. In the military system, there is a body that answers to parliamentarians and Canadians to ensure that information produced by public servants is transparent. This is essential to insure against a police state. The position was cut for financial reasons. Many people have told us that this is one of the biggest mistakes in terms of transparency and oversight by parliamentarians and even the minister.

The third aspect I am concerned about is the fact that the government is eroding the bridge between veterans and National Defence, which we have been working to build for the past 15 years. The government says that it wants to eliminate overlap, but overlap is intentional in everything from the joint support unit to co-locating veterans' and National Defence entities.

[English]

An overlap would guarantee that a veteran who is serving and leaves the service does not fall into the abyss like we faced 15 years ago. We have been spending years to build that bridge. Now this legislation is essentially articulating that we have to keep these two entities separate and we do not want to overlap. More and more, the possibility of the veterans falling down the cracks will reappear.

I am one of those who has been thinking for a long time that in order to solve this problem, maybe Veterans Affairs Canada — because we are co-locating and trying to integrate or at least align the services between National Defence and Veterans Affairs — should be simply a branch of National Defence from cradle to grave. Instead of having this entity that is out there with all its overhead, why not have one body take care of things from cradle to grave? No one will fall through the cracks. They get the same leadership, the same follow-through and, incidentally, maybe an understanding of exactly what it means to be an injured veteran in this country.

We did not touch that in this bill, but I thought that if the government was supposed to be progressive, wanted to save money and wanted to prevent overlap, that would have been a significant option to be considered.

• (2000)

However, I have a greater concern, which is this omnibus bill. To respond to that, I thought I would touch base with a foremost constitutional expert who served in the Senate from 1970 to 1979, someone legendary for his sharp wit and quick retort, which we do not have too much of around here, and his distinctive view of Canadian society, Eugene Forsey.

... Forsey brought deep research, high principle and irascible tenacity to the cause of constitutional democracy, justice, and equality for all.

I thought I would quote something out of a book that was recently published on him. It is aimed at the concept of this omnibus bill, Bill C-38, and how it has perverted us all and put us all in an ethical dilemma of actually agreeing to go through a rapid, accelerated process of reviewing all those bills that we know should have gone individually — or a few together but mostly individually — through the appropriate system of governance of our country. We are now simply working our way through it in haste, which I consider to be an unethical position in regard to our responsibility.

Eugene Forsey was a constitutionalist, someone who believed that those eminent rules which govern our political processes and which by practice and by text have

been in place over time must be known, respected, and followed. The alternative to ordered politics is a kind of lurching opportunism that, in time, will destroy political stability and, possibility, the political nation that is Canada.

It goes on:

Not only was Eugene Forsey a committed constitutionalist, he was both brilliant and outspoken in defending the rules by which we are governed. Although strongly committed to progressive politics, his deepest political commitments were not to a party or program, but to constitutional order. A policy can certainly make short-sighted choices and pursue badly mistaken ideas in seeking good social arrangements; but, in time, democracy is likely to provide the necessary corrections. This is only possible, however, if the established mechanisms are maintained and kept free of manipulation. Forsey's primary loyalty, therefore, was not to faction but to values and principles — the ones that uphold constitutional order.

I will end with the following:

But his perfect legacy is the body of letters, comments, and articles he wrote throughout his career to constantly remind us that the enduring value of our democratic political heritage depends on our continued understanding of it and our fidelity to it.

That means, "Do not fiddle with the books."

I will conclude:

... Eugene Forsey's project was, at heart, a conservative one. ... The structures, practices, and restraints that grow up around political power reflect the goals and values that make that power not only tolerable but necessary in the modern age of liberty. Decisions of convenience and efficiency often drive us backwards into the dark and dangerous state. Canada's political society is organic and comes from specific needs and contexts which reflect our basic core values. When we seek to solve challenges or promote political advantage through the detachment of constitutional rules, we risk losing the state's essential and fundamental connection to legitimacy and history. Forsey's type of conservatism fosters the political conditions that allow politics and public policies that are bold, reformist, innovative and above all, responsive to our changing needs.

He stated:

From his seat in the Red Chamber, he spoke and voted in favour of Aboriginal rights and limits on the power of bureaucrats. He supported affirmative action measures for women and native people in public service, and pressed for protection of linguistic minorities.

I end with this:

He questioned the government's prohibition on political advocacy by charitable organizations, urging that such groups be allowed to "engage in petitions or peaceful

demonstrations on behalf of . . . people who they feel are being oppressed,” without risking the loss of their charitable status.

Honourable senators, I think we still have a lot to learn to make this place really work according to the dignity, rules and responsibilities that we have in this Red Chamber. Moving this project, Bill C-38, is a perversion of that process. It is too fast and too huge. It is not studied, and it is not meeting the criteria of the fundamental methodologies that we have in ensuring that the Canadian people get the laws and legislation they deserve in order for them to progress and to take full advantage of the hope this nation provides them.

I not only vote against it because of certain elements within it and amendments we are trying to push through; I vote against it because it is absolutely wrong. You are fiddling with the books, you are fiddling with the process and, in the end, it will bite you on the back side.

**Hon. Percy Mockler:** Would the honourable senator take a question?

[Translation]

**Senator Dallaire:** I almost feel like saying no, but your colleague has left. So I will say yes.

[English]

**The Hon. the Speaker *pro tempore*:** Before the question is posed, Honourable Senator Dallaire's speaking time is up. If he takes a question, will he ask for more time to respond to the question?

**Senator Dallaire:** I would appreciate that opportunity.

**The Hon. the Speaker *pro tempore*:** Is more time granted, honourable senators?

**Hon. Senators:** Agreed.

**The Hon. the Speaker *pro tempore*:** Five minutes.

**Senator Mockler:** Honourable senators, I would be tempted to ask the Honourable Senator Dallaire, for whom I have a lot of respect, to define for me and for Canadians who are listening to us tonight what is meant by ethical oil and unethical oil. However, I will not ask that. I will not go there.

Bill C-38 is basically a bill that will continue to create jobs for all Canadians from coast to coast to coast.

**Senator Cordy:** Except those who have pink slips.

**Senator Mockler:** The Liberal Party in the other house is the third party, but here they are the second party. They cannot cherry pick. They have to look at Bill C-38 globally and what it will do coast to coast to coast for all Canadians, regardless of where we live, whether in Alberta, Montreal, New Brunswick, Nova Scotia or Quebec.

[ Senator Dallaire ]

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

**Senator Mockler:** I want to read something, and then I will ask a question. It says:

In a country where gravitational forces often move north and south, this ribbon of steel —

He is talking about the railroad.

— has helped knit the country together both symbolically and economically.

Senator Mercer, believe you me, I will tell you who said that.

Then he says:

. . . East Coast access is particularly promising.

He goes on to talk about the oil sands in Alberta and the oil going north/south and it that should come down east. He says:

Finally, this pipeline could do away with the old debates pitting one region against another. Each region would be a winner. Each region would be a link in a strategic value chain. Each region would deliver tangible benefits to the betterment of the entire country.

The author of this article is Frank McKenna, Deputy Chair of the Toronto Dominion Bank of Canada, former New Brunswick premier.

The Liberal party cannot cherry pick.

• (2010)

Does the honourable senator support Mr. McKenna or not?

**Senator Dallaire:** Honourable senators, Mr. McKenna, who had a brilliant political career in the honourable senator's province, has opted to make money. There is nothing wrong with that. However, he has opted out of the political process, so I will opt out of my opinion of him in that process.

With regard to the steel line among all provinces of Canada, I like that. The honourable senator is right; we built that railroad and it was a steel line. In fact, if we thought a little further beyond 2017, why not build a TGV, a fast train, across the country? It is only an engineering problem. That would be a second steel road.

Maybe the steel road I am talking about, to which I think the honourable senator was alluding, is the one in the pipe. Build that pipe from out West to down East, and do not tell me that it cannot be done because it is not economically viable and that we in the East are to accept unethical oil coming from the same argument of countries that are dictatorships.

My last point with regard to Bill C-38 will be very short. I wrote it down so as not to make a mistake: The ends do not justify the means. Bill C-38 does not justify the means of trying to achieve what the honourable senator was articulating about jobs, through a process that I would consider to be a perversion of our responsibility to do the appropriate process of analysis and ultimate decision-making and modification.



**Senator Mockler:** In conclusion, I can assure the honourable senator that I will send his blues to Mr. McKenna.

**Senator Dallaire:** I would only say that he and I did some fundraising together for a charitable organization.

**The Hon. the Speaker *pro tempore*:** Is there any further debate, honourable senators?

[Translation]

**Hon. Larry W. Smith:** Honourable senators, I am delighted to rise today to speak to the government's budget implementation bill, Bill C-38, the Jobs, Growth and Long-term Prosperity Act.

[English]

Canadians have entrusted our government with a vision not only for short-term growth and prosperity, but, as the bill states, it is for the long run. This bill is able to meet the challenging demands and fix the many issues that face us today. Whether it means rejuvenating, modernizing or revamping the many acts that are entailed in this ominous bill, it will have a positive and long-lasting effect on Canada.

These proposals create conditions for a better economy with long-term growth, but we must ensure that this period of long-term growth is sustainable. We know that some of our social programs are going to cost more in the future, such as the Old Age Security pension. We will ensure its sustainability by making changes now so that the stream of revenue does not dry up in the coming years and collapse the system. We are investing in this growth and we are making certain that we continue to keep the government books balanced, as well.

Honourable senators, this enactment, when brought in, will apply income tax changes and other related measures that will help Canada. Among the many measures, it will expand the list of eligible expenses under the Medical Expense Tax Credit to include blood coagulation monitors and their disposable peripherals. It will also introduce a temporary measure to allow certain family members to open a Registered Disability Savings Plan for an adult individual.

This bill will also expand the list of GST/HST zero-rated medical and assistive devices, as well as a list of GST/HST zero-rated non-prescription drugs that are used to treat life-threatening diseases. It will also exempt certain pharmacists' professional services from GST/HST, other than prescription drug dispensing services that are already zero-rated. We are trying to make life better and more affordable for Canadians who do not need another worry during their time of need.

[Translation]

This new legislation also amends the Income Tax Act consequential on the implementation of the Marketing Freedom for Grain Farmers Act. In particular, it extends the tax deferral allowed to farmers in a designated area who produce listed grains.

[English]

I have been in the grains industry for nine years and I can tell honourable senators that the majority of Western farmers are really quite excited about the abolishment of the Wheat Board.

On top of this, this bill will also provide further authority to the Canada Revenue Agency to issue demands to file a return via online notice or regular mail. I do not believe Canadians appreciate tax evaders. This enactment will also amend the penalty for promoters of charitable donation tax shelters who file false registration information and will introduce a new penalty to tax shelter promoters who fail to respond to a demand to file an information return or who file an information return that contains false or misleading sales information.

[Translation]

Canada is a generous nation, but we do not support profiteers. We offer tax breaks for noble causes, but not for individual, personal gain or for programs based on personal attacks. That is why we are limiting the period for which a tax shelter identification number is valid to one calendar year and modifying the rules for registering certain foreign charitable organizations as qualified donees.

[English]

Our country must embrace change rapidly if we expect to maintain our high standard of living. One of the major expanding sectors in Canada is telecommunications. We have seen many changes over the last few years, but there need to be more changes, and these will be made through amendments to this bill.

They include putting forward changes in both the Investment Canada Act and the Telecommunications Act. These changes will promote investment and innovation, and will also strengthen the financial security of Canadians. We need to ensure that a proper regulatory framework is put in place to encourage both investment and competition, and to allow Canadians to have access to high-speed broadband networks and innovative wireless services at competitive prices.

Our government will not only reform foreign investment restrictions for telecommunications, but we will also release the upcoming 700-megahertz and 2,500-megahertz spectrum options into the market. We are trying to keep one step ahead to keep Canadians happy. We will also improve and extend the policy on roaming and tower-sharing to continue competition and slow the growth of new cellphone towers.

The Conservative government encourages greater competition in consumer choice for telecommunications. The Telecommunications Act amendments would lift the present foreign investment restrictions for telecom companies when they hold less than a 10 per cent share of the total Canadian telecommunications market. This would allow access to capital for the companies that need it most.

With all the job positions out there, we still see that nearly one quarter of a million jobs are left unfilled here. We truly need to connect Canadians to those vacant jobs, connecting Canadians where they can find work. We need greater efficiency with our Employment Insurance program, and this is what we are doing.

[Translation]

We want to make Canada a more productive country, one that will not hire foreign workers before giving our local workers the opportunity to take advantage of job prospects.

This is not because we do not want any foreign workers in our country, but why should we bring in workers from outside our borders only to then force them to contribute to employment insurance payments or social assistance for Canadian citizens?

[English]

Once we connect Canadians to the jobs they want, it will allow Canada to take the next steps in helping our economy to move even faster with people from abroad. We are continuing to work with our provincial and territorial counterparts and other stakeholders to further support improvements to foreign credential recognition and to identify our future target occupations.

By working pragmatically to improve the Temporary Foreign Worker Program, we will help support our economic recovery and growth by better aligning this program with our labour market demands. This is definitely a win-win scenario for our country and also for foreign workers who want to work here in Canada.

We have received praise for our policies and for the direction we are taking in our country by such international organizations as the IMF and the OECD. We are doing something right, but we must not let our economic guard down since these are times that prove to be most unpredictable. We must continue to be focused and driven. Bill C-38 is one step in the right direction for maintaining our country's destiny.

We have seen this implementation bill go through the other side recently. After much consultation since last fall, and also much debate more recently, we can see the direction in which our country needs to be heading. We are not only concerned about economically driven motives; we are also looking at the future of our natural resources and the preservation of our country.

• (2020)

This enactment is also designed to help Canada maintain its natural wonders.

In Part 4 of this act, there is an amendment to the Parks Canada Agency Act that allows the Canadian government to enter into agreements with other ministries or bodies to assist in administering and enforcing legislation in places outside national parks, national historic sites, national marine conservation areas and other protected heritage areas. This is our country, and we must continue to maintain its rugged beauty for the future.

[Translation]

This bill is very important. We must pass it so that we can move forward with our vision, which is based on low taxes, job creation and sustainable growth.

[ Senator Smith ]

[English]

One of our government's priorities is to support jobs and growth in Canada's economy, and we are on the right track with Canada's Economic Action Plan. We are proposing sensible reforms for the betterment of all Canadians. I urge my colleagues here to not even hesitate on voting in support of Bill C-38.

As the deputy chair of the Finance Committee, I want to thank all members, and I know Senator Nancy Ruth did yesterday and Senator Day did the day before. It was outstanding work in terms of analyzing and pre-studying the legislation under tough circumstances. What was interesting coming out of that is that as long as people agree to disagree, I think that is fine, but most important, let us make sure if we do disagree, we do it with the civility and professionalism that are appropriate to this house.

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

**Hon Elizabeth Hubley:** Honourable senators, I rise today to speak to third reading of Bill C-38, an act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures.

Honourable senators, like with so many of the bills this government puts forward, we can learn a lot about Bill C-38 just from its title. As is so often the case, the substance of the bill actually has very little to do with its title. While the title of Bill C-38 implies that it is just a straightforward piece of budgetary implementation legislation, it is, in fact, an omnibus bill that has far-reaching consequences for everything from charities to immigration.

While the term "and other measures" may sound innocent and innocuous, more of a side dish than the main course, it is, in fact, a full buffet of sweeping legislative change. The "other measures" casually alluded to in the title of this bill are substantial and are of great concern to Canadians.

Honourable senators, it is precisely these "other measures" that are of concern to me, too, and what I wish to focus on today. Specifically, I am worried about those relating to the changes to the Fisheries Act and the implications they will have for our fish habitats and aquatic ecosystems.

From the evidence presented to the parliamentary subcommittee and the Standing Senate Committee on Energy, the Environment and Natural Resources, which reviewed Part 3 of Bill C-38, it is clear that these changes could have disastrous repercussions for the environment and for the economy. Former fisheries ministers, scientists, environmentalists, fishermen and citizens' groups all warned that these changes will harm fish habitats and significantly undermine environmental protection standards.

Let us not forget that ecosystems, and especially aquatic ecosystems, are interconnected and sensitive to change. Bill C-38 amends the Fisheries Act so that some bodies of water would no longer be subject to environmental regulation and, moreover, that only fisheries deemed to be of commercial, recreational or Aboriginal value will be protected.

Honourable senators, history has shown that when it comes to the environment, we can never be too cautious. We have already made too many serious mistakes in the management of our natural resources by focusing on maximum short-term economic output instead of long-term sustainability. We must also take the long view because we do not know what the future may hold. What is considered today to be a fishery of commercial importance may not be the same fishery that is of importance tomorrow.

Take, for example, the lobster industry. In the early 19th century, lobster was considered the food of the poor and was of marginal commercial importance. Today, lobster is Canada's most valuable seafood, with an export value that can exceed \$1 billion in a good year. By lowering our standards and opening up our fish habitats to increased development, are we destroying our future? By focusing only on fish of cultural, commercial, or Aboriginal importance, are we not taking too narrow an approach?

Scientists who appeared before the Bill C-38 parliamentary subcommittee warned that when it comes to trying to evaluate impacts to fish habitat, it is essential to take a holistic approach.

For example, Dr. David Schindler, who is an ecology professor at the University of Alberta, testified that when he was working for DFO 20 years ago and looking into the effects of acid rain on freshwater fish in Ontario, his team focused only on the effect acid rain had on lake trout, the species with the most economic and cultural importance. Their investigation found that the fish could tolerate a considerable amount of acid rain. They did not, however, study the effects of acid rain on the fathead minnows and the opossum shrimp that the lake trout fed on. Unfortunately, these smaller species were far more vulnerable to the effects of acid rain and quickly died out. The lake trout soon followed.

Honourable senators, ecosystems are complex webs of interconnected species. As the lake trout example illustrates, it is impossible to isolate one species for protection while ignoring others. They are interdependent.

However, according to the Minister of Fisheries and Oceans, the changes to the Fisheries Act outlined in Bill C-38 will do precisely this: divide species and habitats into those they deem important and those that are not.

This, he has stressed, will help to streamline regulations. For instance, it would make it easier for a cottage owner to install a dock on his or her lakeside property by eliminating the need for a permit. The minister believes that a dock is a minor thing and that the Department of Fisheries and Oceans should not prevent a cottage owner from enjoying his property.

While it is true that property owners and other citizens should not be unduly bogged down by onerous regulations and red tape, it is the government's responsibility to ensure that one property owner's rights do not override the rights of his neighbours or those of Canadians in general.

With respect to cottage docks, we have heard plenty of evidence to suggest that in fact they can do significant harm to fish habitats and, therefore, could undermine the health of an entire lake. That is why they have traditionally been subject to an approval process.

In the majority of cases, the dock's impact is considered low and the dock is approved. However, if there is a problem, DFO is there to step in and ensure fish and the ecosystem are properly protected to the benefit of all Canadians.

Moreover, Peter Meisenheimer, Executive Director of the Ontario Commercial Fisheries' Association, made an excellent point when he appeared before the parliamentary subcommittee in May. He said that when one looks back throughout history in Ontario, fish and the fishing industry have not come out ahead in interactions with other industries, whether mining, manufacturing or other commercial ventures. Fish and fish habitats always lose out.

Honourable senators, this is why we need a strong Fisheries Act that takes a precautionary approach and holds development proposals to the highest possible standards. Fish habitats are incredibly vulnerable and, once lost, are usually lost forever.

• (2030)

I fear that the changes to the Fisheries Act as laid out in Bill C-38 will further harm rather than help fish habitat. Many experts in the field agree, including four former fisheries ministers. It should come as no surprise that the only support for this legislation comes from the manufacturing, mining and resource development sectors.

Large corporations do not like to be encumbered with tight regulations that force them to undertake costly and time-consuming measures to protect fish and fish habitat. They would much rather be able to fast-track their projects and focus on making money as quickly and as efficiently as possible. However, as history has shown, while this approach is good for business in the short term, it is bad for the environment and bad for long-term economic sustainability.

Honourable senators, I believe the concerns I have just raised and the concerns put forward by stakeholders at committee are significant and worthy of further investigation. It is an abuse of power for the government to ram through these changes the way it is, when clearly this bill and its attendant other measures will bring considerable change to the lives of Canadians. We should have had far more time for analysis and debate. As the proposed changes to the Fisheries Act demonstrate, this legislation is deeply flawed.

**Hon. Dennis Glen Patterson:** Honourable senators, I rise today to speak in support of Bill C-38. I am pleased to have this opportunity, in addition to my speech earlier in this session in response to the budget, because we have sat patiently and listened to extreme rhetoric from the other side about this bill being a bad bill. We also heard an assertion from Senator Mitchell that we were not saying anything in response to these extreme criticisms.

In my remarks I want to continue my focus on certain national and international environmental non-governmental organizations, or ENGOs as I call them, which have made it their business to

mobilize worldwide public opinion against the development of Arctic oil, gas and mineral resources, and the protection of Arctic wildlife and marine mammals from the effects of climate change and resource development.

I also want to speak in support of budget measures directed toward the development of a new fisheries protection policy and a regulatory plan to support changes to the Fisheries Act, as well as provide a foundation for a new fisheries protection program. These changes aim to focus protection on Canada's recreational, commercial and Aboriginal fisheries.

Finally, I note that Budget 2012 states that the Species at Risk Act is one of the government's main conservation tools to protect wildlife species, maintain healthy ecosystems and preserve Canada's natural heritage. To continue to protect Canada's diverse species and help secure the necessary conditions for their recovery, *Economic Action Plan 2012* proposes \$50 million over two years to support the implementation of the Species at Risk Act. I will provide some commentary on SARA, which hopefully will be taken into account in the implementation of the act.

Honourable senators will recall my intervention on Senator Eaton's inquiry into the interference of foreign foundations in Canada's domestic affairs. In my concluding remarks about the activities of these foundations in the Arctic, I stated:

My main point is that . . . as charities they should not be allowed to engage in unpermitted political activities such as openly pressuring governments to make certain decisions; we should know more about where their funding is coming from, how much they are spending and for what purpose, and what proportion of their budgets is devoted to political activities.

I am very pleased to see that *Economic Action Plan 2012* proposes measures to ensure that charities devote their resources primarily to charitable rather than political activities and to enhance public transparency and accountability in this area. More specifically, the CRA, as administrator of the tax system, is responsible for ensuring that charities follow the rules. Accordingly, to enhance charities' compliance with the rules respecting political activities, *Economic Action Plan 2012* proposes that the CRA enhance its education and compliance activities with respect to political activities of charities, and improve transparency by requiring charities to provide more information on their political activities, including the extent to which these are funded by foreign sources. Eight million dollars has been budgeted for these administrative changes over the next two fiscal years.

I also note that the Income Tax Act will be amended to restrict the extent to which charities may fund the political activities of other qualified donees and to introduce new sanctions for charities that exceed the limits on political activities or that fail to provide complete and accurate information in relation to any aspect of their annual return.

Honourable senators, these measures, while not yet law, are already generating results. Tides Canada President Ross McMillan addressed the Economic Club of Canada in Toronto yesterday. Before his address Mr. McMillan predictably stated:

The ongoing critique definitely factored into our decision. We really wanted to send a clear message to our critics that we have nothing to hide in our work, and we're very proud of the charitable initiatives that we support right across the country.

In this morning's *National Post*, Terence Corcoran wrote the following:

Mr. McMillan's argument is that, without charitable status for green organizations, serious risks to the economy and the environment would go un-addressed. It's a matter of truth and freedom, he said. "There is absolutely nothing partisan in speaking truth about what is unfolding in this country and what is at risk." Charitable organizations, of the left and the right, have the right to be heard. "Protecting the freedom to voice competing ideas is a foundation of Canadian democracy. And it is the foundation for a tolerant and open society."

Honourable senators, those freedoms exist above and beyond charitable status. Whatever Ottawa is planning, no one is taking any freedoms away. If Canadians want to fund Environmental Defence's chemical scares or Tides Canada's multitude of activities and oil sands campaigns, they are free to do so. If the causes get support, so be it, but why attack a tax break?

All taxpayers end up funding the activities of a few or of special interests. Tides Canada and other environmental charities are on the defensive, as they should be, but their existence is not threatened. Without charitable status, they would still collect money from Canadians who share their values. Surely, the truth is not a function of tax deductions.

Needless to say, I am in support of measures in Budget 2012 to provide additional resources to the CRA to monitor ENGO activities. What really bothers me is that these ENGOs are continuing their misinformed "Save the Arctic" campaigns without any pretence of consulting with or getting support from the Arctic: in my case, Nunavut Inuit, their organizations, the Nunavut government or institutes of public government, or IPGs, which are mandated to prepare land use plans, manage marine and terrestrial wildlife, and assess development projects in the territory.

The latest ENGO grandstanding fundraising stunt to save the Arctic took place recently at Rio+20, courtesy of Greenpeace. The campaign titled "Save the Arctic," with the byline, "The melting Arctic is under threat from oil drilling, industrial fishing and conflict" — that is news to me — encourages a worldwide audience to sign up in support of the campaign. The Greenpeace site raises alarms about loss of the Arctic ice cap, described as a "death spiral," and forecasts devastation for people, polar bears, narwhals, walruses and other species that live in the North, but also for the rest of the world.

To save the Arctic, Greenpeace says we have to act today: sign now. Their website pleads:

Yes! Let's declare a global sanctuary in the Arctic. Come with us to the North Pole. When we reach 1 million signatures we'll plant your name and a Flag for the Future on the bottom of the ocean at the top of the world.

Honourable senators, I will not go into details of the Greenpeace campaign except to say that their objective of stopping offshore drilling is a long-standing one, relating to Shell Oil's offshore Alaska drilling program. The objective of banning commercial fishing in the central Arctic Ocean is the major campaign of the Pew Foundation and Oceans North; the proposal for an Arctic sanctuary is a key objective of WWF and Coca-Cola. They also talk of the Arctic as a potential zone of conflict in terms which date from the Cold War but are arguably not relevant today, as asserted by major world powers that are collaborating in defining offshore boundaries through the UN Law of the Sea process.

• (2040)

What is typical of this mother of all NGOs is that Greenpeace does not quote one Arctic Aboriginal resident, one Arctic Aboriginal organization, one Arctic state or territorial government, one circumpolar government or one elected Arctic representative as being in support of their objectives. Rather, the media headlines list Greenpeace Arctic campaign supporters as Beatle Paul McCartney; Hollywood stars Robert Redford and Penélope Cruz; British entrepreneur Richard Branson, yes, he who was lauded by members from the other side who were criticizing Bill C-38; and, gasp, Canadian rock star Bryan Adams, who I understand now makes his home in England.

Honourable senators, the "Save the Arctic" campaign is just the latest example of how international and national NGOs are trying to influence Arctic policy and the future of the Arctic for their own misguided objectives. Speaking for Nunavut, I can only say that my constituents will never forget how in the early 1970s Paul Watson of the Sea Shepherd Conservation Society, who was recently jailed in Germany and is the object of an extradition request by Costa Rica, and numerous other national and international NGOs destroyed the seal harvesting economy of my territory and, along with it, threatened a significant feature of the Inuit culture. To this day, Nunavummiut do not trust or support the activities or objectives of NGOs and people like Liberal Senator Harb, who are their spokespersons and whose draft bill proposes to end the commercial seal harvest, or the Green Party leader whose party platform opposes the seal hunt.

These commercial bans have not only undermined the viability of Inuit engaging in subsistence hunting of seal for food and clothing but have been dispiriting and demoralizing to a people who have depended on the seal for their very survival for thousands of years and who are hurt by being falsely labelled "savage" and "inhumane."

From what I have just described, honourable senators can understand why these imperious organizations who advocate that Inuit should become vegetarians and sealers welfare recipients, who gather money from gullible foreign residents using misleading propaganda, and who channel money through a maze of charities to interfere with our domestic political and regulatory processes, are mistrusted and reviled in the North.

I want to also provide some comments on much needed revisions to strengthen the protection of Canadian fisheries.

Honourable senators, Canadians have told us they find the current rules on fish habitat and the Fisheries Act to be indiscriminate, confusing and far-reaching. Our current

approach subjects all activities — from the largest industrial development to the smallest personal project on private land — to the same rules, which is unnecessary to protect the productivity of our fisheries.

Senator Mitchell has alleged that our government is engaging in a destructive attack on the Fisheries Act. I would respectfully say in reply that Senator Mitchell has obviously not heard from Canadians, including many in Western Canada, who have countless stories of DFO employees zealously protecting ditches, manmade reservoirs and flood plains.

Minister Ashfield has said that new rules in the Fisheries Act will reflect what Canadians understand, that there is a difference between low-risk projects, such as the new dock at the cottage, and high-risk projects, such as a hydroelectric dam or mining operations. Fisheries protection policies should focus on the habitat that supports Canada's fisheries and not on farmers' fields and flood plains. As Mr. Ashfield has said, we do not believe it is sensible or practical to treat all bodies of water from puddles to the Great Lakes the same way, and our government is making long overdue changes on what is important to Canadians.

Let me provide some practical examples of the need for change in Northern Canada. I have heard some stories from the mining industry. One person described the efforts his company made in Nunavut to avoid triggering a fish habitat or navigable waters review. He described how in building an all-weather road the proposed routes intersected three ephemeral streams. In order not to trigger a fish habitat or navigable waters review, the stream crossings were engineered to completely avoid the whole channel. In one place, a bridge had to be constructed. The road had to be built so that water essentially did not touch the road at any of these points. These crossings were very expensive to build when a simple culvert would have sufficed. No fish were ever seen in these streams when they ran in the springtime, and they are mostly dry in summer, running along a hill or ridge, but this is how companies have to adapt their projects to meet the potential regulatory pitfalls that would add time and further expense to the project. Keep in mind, honourable senators, that these projects are being built in a remote, high-cost region which has virtually no infrastructure.

In my contacts with the mining industry, I found many examples of companies having to spend a great deal of money with negligible benefit to the environment. These are the situations to avoid. The executive I spoke to was careful to acknowledge that sometimes miners have to pay in money and time to reduce a real impact on fish, and no one is denying this. However, it would help if changes to the Fisheries Act would clearly exempt these types of unproductive waters from time-consuming and extensive reviews.

The same mining executive described to me how a certain lake was selected for tailings impoundment, and yes, water is a good way of protecting the environment from tailings. There was no recreational or commercial fishery on this lake. In fact, one would be hard-pressed to find an Inuk who ever fished it. Even with that, they are spending millions to compensate for the fish habitat lost in that lake. The lakes they are enhancing are also not fished recreationally or commercially and may only be fished by Inuit

once every couple of years. Whether or not this lake is used for mining or was compensated for by enhancing habitat close to the project, or not, makes no real difference whatsoever to Kitikmeot fishers.

Another mining executive described another process to me. In another lake, after exhaustive fish studies, 12 juvenile pike were captured in one year. The lake had zero oxygen levels in winter and the majority of the lake freezes to the bottom. This lake is marginal fish habitat in a land of a million lakes, yet unless the act is amended, lakes like these are required to undergo a full Schedule 2 exercise of the DFO process.

Could I have five minutes, honourable senators?

**Senator Eaton:** Absolutely, yes.

**Hon. Senators:** Agreed.

**Senator Patterson:** The current process to get a lake listed for designation for tailings containment is very long. DFO officials in the North will not even start their review until after the environmental assessment process and a positive report is issued by the environmental review board. Experience to date — and they only have one mine operating in Nunavut so far — is that the next process will take 12 to 18 months, a significant time delay for any development.

Honourable senators, Fisheries and Oceans Canada is adopting a common sense approach that focuses on managing threats to Canada's recreational, commercial and Aboriginal fisheries and the fish habitat on which they depend. Our new approach draws clear distinctions between different types and sizes of projects and waterways and takes into account the potential serious harm to our fisheries. It recognizes that fish habitats differ greatly.

Furthermore, the details are yet to be worked out. The measures in Bill C-38 announce the direction the government will take. It will now consult with stakeholders as the regulatory and policy framework is developed to support and better define the changes. This, I am confident, will lead to the building of partnerships with those committed to building, preserving and protecting fisheries with the hope they can play an even larger role in the protection and conservation of fish habitat in the future.

Honourable senators, I want to make a few comments before closing on a theme of Senator Ringuette's tirade against this bill yesterday, that the proposed legislation reflects a lack of courage on the part of our government and that we delayed the implementation of certain legislation. That was so that the kind of consultation I have just described should take place, but to say our government lacks courage is astonishing to me. For years while our government was in a minority situation we were hamstrung by the opposition resistance to almost any change. We then ran on a platform of orderly economic growth, which clearly resonated with many Canadians in uncertain times. I am proud to be associated with a government which is focused like a laser on economic growth and job creation, low taxes, research and development, and free trade. Be assured this agenda is not just about the economy; it is about continuing our careful stewardship of our environment while generating the resources to continue supporting our cherished health and social programs.

[ Senator Patterson ]

The opposition exhorts our government for being driven by ideology and having an agenda that will destroy Canada. I have even received emails urging me to stop Bill C-38 for the love of Canada. Well, this rhetoric is extreme. It certainly does not suggest our government lacks courage. We know that the two opposition parties in the other place have no economic plan except to oppose development and raise taxes. They have shown a determination to oppose any changes to the regulatory process or the modest changes proposed to the EI Act or OAS reforms that have been implemented throughout the developed world in recognition that, happily, people are living longer and their pension entitlements should be adjusted accordingly.

• (2050)

Senator Ringuette also blasted our government for not holding First Ministers' meetings. I attended many of those meetings in my previous career. Their productivity and usefulness as decision-making fora should be questioned, but to imply that our government acts unilaterally and ignores the plethora of federal-provincial-territorial meetings that take place on a regular basis is misleading. As Senator Lang pointed out, it was meetings of environment ministers that agreed on the rationalization of the environmental review processes to eliminate duplication and encourage timely reviews, bearing in mind that Canada must remain competitive with other parts of the world in its approval processes.

Steps to implement this rational process were part of a previous federal budget and are reflected in Bill C-38. This is the very kind of federal-provincial-territorial cooperation that Senator Ringuette says is needed in our country. It is happening on a regular basis — not the grand posturing sessions of First Ministers, which we saw in previous administrations, but collaborative working sessions of ministers pursuing common interests.

I say respectfully to Senator Ringuette that the ferocity of her complaints about this bill undermines her case that our government lacks courage to implement its agenda. We are acting courageously to do what we think is right, knowing that in the current negative climate in the other place and sometimes seen in this chamber, any changes to legislation leading to regulatory streamline or more focused environmental reviews or touching programs like seniors' pensions will elicit howls of protest. That is why I support the bill, honourable senators.

**Senator Cordy:** Honourable senators, the government's omnibus bill, Bill C-38, continues its rapid passage through the Senate. The changes proposed in the so-called budget bill are significant. Containing some 750 clauses and modifying over 70 acts, this bill makes considerable changes to everything from Employment Insurance and Old Age Security to Parks Canada and environmental regulatory oversight. Many of these changes are outside the traditional purview of a budget bill and are going to drastically affect thousands of Canadians while avoiding the scrutiny of stand-alone pieces of legislation. This is an abuse of democracy and an abuse of power.

All these changes are under the guise of the government's financial plan. However, we, as parliamentarians, and Canadians in general, do not have a clear picture of how these changes will

accomplish this goal, as Prime Minister Harper refuses to comply with his own accountability and transparency policies. His government continues to reject the Parliamentary Budget Officer's repeated requests for access to information detailing the \$5.2 billion in spending cuts and how these cuts will affect programs. By order of the PMO, departments were told to withhold this information. The Parliamentary Budget Officer has every legal right to this information in order to analyze and account for the government's spending to provide parliamentarians with the knowledge to properly do their jobs when voting on a bill.

As we heard yesterday from Senator Ringuette, every Conservative member of the Finance Committee voted against inviting the Parliamentary Budget Officer to appear before their committee to better help them understand the costs or savings of budget items. One would think that Conservative committee members would want to hear from the Parliamentary Budget Officer to be better informed. Now, here we are, left in the Senate to vote on a bill without a complete understanding of how these modifications will take effect or the costs associated with them — in other words, financial information, which one would believe would be available when studying a budget bill. Surely, making parliamentarians better informed about costs and savings would be a positive thing.

Bill C-38 also continues Mr. Harper's long preferred tactic of divisive politics — the “us” versus “them” mentality that permeates from this Conservative government, pitting Canadian against Canadian for political gain.

One of the many groups targeted by this bill is unemployed Canadians and their Employment Insurance benefits. The government seems to view those unemployed Canadians receiving EI benefits, and particularly seasonal workers, as people who are trying to cheat the system. Mr. Harper's plan is to weed out these workers with unfair, sweeping changes to the EI system and threats of denied benefits — benefits that these unemployed Canadians pay into when they are working. Canadians do pay for EI premiums to receive the benefits, if needed.

The Harper government's main contention is with the repeat claimant. This is the claimant who has received EI benefits more than once. That would be seasonal workers such as those employed in the fishing industry, the construction industry, the tourism industry, the workers in the parliamentary restaurant and the translators in the Senate. The changes proposed in Bill C-38, by redefining “acceptable work,” will force those receiving benefits to accept employment offering up to a 30 per cent pay cut in a job outside their area of training while also making them travel further away from their home for these lower-wage jobs. Benefits will be revoked if the claimant does not take the job. Surely, this government understands that we will stop having seasonal work when we stop having seasons. It is a fact of the Canadian economy.

These changes are not fair to either employees or employers. Employers are getting an employee who is there only until their other seasonal work begins again, or, even worse for employers, they will lose their trained workers every year. Shannon Phillips,

from the Alberta Federation of Labour, who appeared before the Standing Senate Committee on Social Affairs, Science and Technology on Bill C-38, expressed the concern of construction companies in Alberta that they will lose their trained seasonal workers each year as a result of changes to EI.

Bill C-38 does not stop with just threats of revoking EI benefits. The Harper government, with Bill C-38, will eliminate the regional Employment Insurance Board of Referees and umpires and replace them with a 74-member tribunal. This new Ottawa-based tribunal will be charged with hearing Employment Insurance, Canada Pension Plan and Old Age Security appeals.

Of the 74 members of the tribunal, only 37 members will be dedicated to deal with Employment Insurance disputes. Last year, nearly 26,000 Employment Insurance appeals were heard. This government claims that the current appeal system is costly, slow and inefficient. I cannot see how the new Ottawa-based appeal system will be faster and more efficient with 37 people dealing with at least 26,000 appeals.

Currently, the three representatives on the Boards of Referees are members of their community and are familiar with the particular realities of the region. The local nature of the hearing also allows for the claimant to appear in person before the panel to present their case. The current Boards of Referees are located in communities around the country. Mr. Harper's supposedly new and improved system will remove the process from the community and now appeals will be heard by one Ottawa-based government appointee. By the way, there will be no further appeals allowed if the claimant is turned down by this one person, this one government appointee, because there will no longer be umpires as a result of Bill C-38.

• (2100)

Currently, it takes about 30 days from the time a person applies for an appeal until the appeal is heard. The board usually makes its decision on the day of the hearing and the claimant receives the decision within a week. I find it very hard to believe that 37 people based in Ottawa will deal with over 26,000 EI appeals each year and have the appeals heard within 30 days and the decisions out within a week after the hearing.

**Senator Mercer:** It is easy when the answer is always “no.”

**Senator Cordy:** Senator Mercer is absolutely right.

With the changes to EI that will be made if Bill C-38 passes — and it will because of the Conservative majority in the Senate — it is quite likely that the number of appeals will rise significantly. This will create even longer delays.

While this government continues to shut down and centralize employment services across the country, they boast of providing supportive employment technologies online. However, they fail to realize that 46 per cent of low-income families do not have access to Internet at home, and 40 per cent of Canada's unemployed do not have access to the Internet. The job phone lines are shutting down in favour of job email alerts, which is counterintuitive to the current data. Many of the unemployed will not have access to the job email alerts.

Compounding the issue is the fact that within the same bill proposing EI changes, the Harper government will cut funding to the Community Access Program, which provides Internet access for those Canadians who do not have access to it at home. How will these Canadians read the government's job email alerts? The decision is just wrong-headed and, if it was not such a serious matter, it would be laughable.

Many of these changes to the EI system seem to be reactionary in nature, and the only rationale used by this government is to punish those Canadians the Conservatives see as cheating the system while specifically targeting seasonal workers. This government continues to push its agenda unilaterally without information, without facts, without analysis and certainly without consultation.

This government does not believe in the concept of consultation and, indeed, Bill C-38 reconfirms this, as none of the Atlantic provinces' premiers were given the courtesy of input on changes to the EI system, a system that is vital to Atlantic Canada as seasonal industries make up a large percentage of its economies.

Human Resources Minister Diane Finley said she consulted with her provincial colleagues. However, the four premiers of the Atlantic provinces — Conservative Premier Alward of New Brunswick, Conservative Premier Dunderdale of Newfoundland and Labrador, Premier Ghiz of Prince Edward Island and Premier Dexter of Nova Scotia — said they were not consulted by the minister.

Conservative Premier Dunderdale called the lack of consultation with the four Atlantic provinces on the changes to EI "disturbing." She then went on to say:

There seems to be a real disconnect between what the federal government is trying to achieve and the reality of peoples' lives in rural parts of the country — particularly here in Newfoundland and Labrador.

Conservative Premier Alward stated that Ottawa must be more upfront about its EI changes after not consulting with the provinces. He also stated that federal politicians should remember that Atlantic Canada's seasonal industries are an integral part of the entire country's economy.

Minister Finley did say that she consulted her Conservative MPs, however. In Question Period, I asked Senator LeBreton if this meant that the Conservative MPs from Nova Scotia supported the changes to EI that are in the budget. The leader in the Senate would not answer the question, but it is clear from their voting in the other place that Minister MacKay, Greg Kerr, Gerald Keddy and Scott Armstrong, all the Conservative MPs from my province of Nova Scotia, are in full agreement with the EI changes. I am curious to know what favourable comments they made to the minister when she consulted with them and took their advice.

Actually, Mr. Kerr mentioned in an email to my staffer that he was in favour of what he called "minor changes" to EI, although I would consider the proposed changes quite major. He went on to

say that the details regarding EI changes would be out "shortly." This just highlights another example of leaving us to vote on a bill while this government continues to withhold vital details.

Minister Finley also mentioned that she may be open to feedback from the provinces. We all know that this government's feedback file is nothing more than a little blue bin. "Let's ram the bill through and then we will get your feedback." I do not think that will be very helpful.

We have changed government programs so that they involve new technologies. I understand that. However, Bill C-38 will stop federal funding of programs of the Community Access Program. According to a Statistics Canada study, only 54 per cent of low-income Canadians have access to computers and yet CAP sites are closing. Senator LeBreton stated in the chamber that this program has outlived its usefulness. However, recent studies by Industry Canada say that CAP sites are used by a wide variety of Canadians: those without high-speed Internet access, low-income Canadian families, seniors, older workers, new Canadians, Canadians needing to connect with government services, workers who travel and work in rural areas, job seekers, and youth in need of first-time employment. It seems that Industry Canada would say that the CAP sites are very useful. Yet, this budget bill cuts the funding to CAP sites while government departments use computers to communicate with Canadians — Canadians who need this information to find work.

May I have five more minutes, please?

**Hon. Senators:** Agreed.

**Senator Cordy:** Honourable senators, with this bill, the Harper government is also targeting some of Canada's most vulnerable citizens, low-income and disabled seniors. Under this government's plan, the eligibility age for Old Age Security will be raised from 65 to 67 years of age. Why is this change being made? According to the Harper government, the current system is unsustainable. This belief contradicts what third-party experts have said, what the Parliamentary Budget Officer has said, and even what the government's own experts claim: That the current system is, in fact, sustainable.

Raising the age from 65 to 67 will cost the average retiring Canadian \$12,000 and the lowest-income senior up to \$30,000. These changes to the OAS program hit Canada's most vulnerable seniors the hardest. Cutting government spending on the backs of Canada's most vulnerable citizens is just mean-spirited.

The changes to the OAS program will also hurt those Canadians who are disabled, who will have to wait an extra two years to receive their OAS and their GIC support.

Part of Bill C-38 is amendments to the Immigration and Refugee Protection Act that will enhance the power for inspection and visits to the workplace of temporary foreign workers. This will affect employers who will have inspectors in their workplace. This may be a good thing, or it may not be such a good thing. We do not know. Who will do the inspections? How will they be done? How often will they be done? Will inspections be announced? None of these questions have been answered, but, hurry up, we have time allocation and we have to pass Bill C-38. The details will be out later.



• (2110)

The changes to the Immigration and Refugee Protection Act provide this government with something else it seems to love — unchecked power and unaccountable decision making. These changes will see the minister gain the power to create new subclasses of economic immigrants and to set or change the rules governing those subclasses without parliamentary oversight and scrutiny getting in the way. The more centralized these decision-making processes are, the more politicized they can become.

We continue to diminish parliamentary oversight and to discourage public debate about our immigration system by expanding ministerial discretion. This omnibus bill eliminates almost 300 applicants from the Federal Skilled Worker Program. All Federal Skilled Worker Program applications made before February 27, 2008, for which a decision has not been made before March 29 of this year, will be gone. I suppose that is one way to get rid of a backlog — just erase the list.

These applicants have been waiting in the queue for years and years, putting their lives on hold. This breaks a promise to applicants who followed all the necessary steps to come to Canada but now, presto, you are gone and we have changed our minds. Where is the fairness?

What special efforts have been given to processing these applications? Why was there not an open discussion about this in 2008? Why were applicants not contacted to see if they were still interested? This certainly challenges the integrity of the system. The backlog was unfair, but cancelling the pre-2008 applicants was even more unfair.

Further amendments will drive down wages by allowing temporary foreign workers to be paid 15 per cent lower than the regional average wage and, together with EI recipients forced to take jobs at up to a 30 per cent pay cut, Bill C-38 will reduce incentives for employers to pay higher wages. We heard at committee that allowing temporary foreign workers to be paid less will particularly hurt non-unionized workers.

Once again we have an omnibus bill and once again there was little if any consultation about most parts of the so-called budget bill. The disrespect this government continues to show to Canadians and parliamentarians with its actions in Parliament and the way they conduct business is deplorable. Bill C-38 is another prime example of that. The bill contains some 750 clauses and modifies and changes over 70 acts, which will affect millions of Canadians.

Time allocation was brought in to limit debate, and the bill was rammed through both Houses of Parliament in the hopes that Canadians would not become aware of everything that is in it. The process used and the omnibus nature of the bill is an abuse of democracy and an abuse of power. Canadians deserve better. I cannot support this bill.

**Senator Mercer:** Will the honourable senator accept a question?

I was surprised at the beginning of the honourable senator's speech. She said that the PMO ordered people not to give the Parliamentary Budget Officer information to which he is legally entitled. Is that what she said?

**Senator Cordy:** Yes.

**Senator Mercer:** She is telling me that the Prime Minister's Office is counselling people to break the law that presently exists. That is taking part in a conspiracy.

**Some Hon. Senators:** Time.

**The Hon. the Speaker:** I regret that Senator Cordy's 15 minutes plus 5 have been exhausted. On debate.

**Some Hon. Senators:** Question.

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

**Some Hon. Senators:** Question.

**The Hon. the Speaker:** Further debate, the Honourable Senator Mahovlich.

**Hon. Francis William Mahovlich:** Honourable senators, I rise today to add my voice to the long list of those concerned with the massive size and scope of Bill C-38, An Act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures. This piece of legislation is certainly not for the faint of heart. It is divided into four different parts and has over 700 clauses in total. It deals with everything from environmental issues to border security issues, to Employment Insurance and pensions, and many other things in between.

Not all of the items in this so-called "fourre tout" bill are bad. Some, as Senator Day pointed out in his speech last week, are quite reasonable, but perhaps they could have and indeed should have been brought before Parliament as separate pieces of legislation that can be studied individually.

I would like to quote one person's thoughts on omnibus bills.

First, there is a lack of relevancy of these issues. The omnibus bills we have before us attempt to amend several different existing laws. Second, in the interest of democracy I ask:

[Translation]

How can members represent their constituents on these various areas when they are forced to vote in a block on such legislation and on such concerns?

[English]

We can agree with some of the measures but oppose others. How do we express our views and the views of our constituents when the matters are so diverse? Dividing the bill into several components would allow members to represent views of their constituents on each of the different components in the bill.

Honourable senators, this quote really hits the nail on the head. Since parliamentarians are here to work in the best interests of Canadians, how can we expect to do that when the matters of this bill are so diverse? The speaker of this quote clearly shares my concern with having so many different issues wrapped up in one bill.

Honourable senators, I should point out that this quote comes from someone we are all quite familiar with. It is from none other than our Prime Minister, the Right Honourable Stephen Harper.

**Senator Mercer:** Well, well.

**Senator Mahovlich:** Obviously, he was not speaking of the bill that is before us today, but rather of the Budget Implementation Act of March 1994. Nearly 20 years have gone by since a relatively new Reform MP from Calgary gave his speech condemning the decision of the government of the day, and I find it amazing how his views have changed. It is a flip-flop.

Honourable senators, I cannot stand here and say that the hands of previous Liberal governments are clean from the use of omnibus bills. Certainly, Bill C-17 from February 1994 is a good example of that. That does not, however, reduce the concern I have with regard to the magnitude of this budget implementation bill.

Given the fact that the government holds the majority in both chambers, why not separate the pieces of legislation and pass them individually? The government could have easily implemented the numerous policies found in this bill in separate pieces of legislation over the parliamentary session. By doing so, the government would have allowed the voice of Canadians to be heard on each issue, rather than being drowned out by the abundance of issues in a single bill.

An example of an issue that is in this bill that could have easily been its own piece of legislation with thorough discussion and study is the topic of Employment Insurance. In this bill there are a number of proposed changes that will seriously affect Canadians' abilities to obtain EI when they are out of a job and for assistance to try to find new employment.

Honourable senators, I will not go into all of the changes that will come as a result of the 2012 Budget and the subsequent Bill C-38, but one example is the ending of funding to the Community Access Program. The federal funding of this program, which has brought computer and Internet technologies to Canadians across the country, was eliminated by the 2012 Budget. It should be noted that 48 per cent of low-income Canadians do not have access to the Internet at home. The loss of this program will not help their situation, especially given the fact that another proposed change in Bill C-38 is to inform unemployed Canadians about job opportunities in their area with email alerts. How does the government expect the 48 per cent of low-income Canadians without Internet access at home to get these emails advising them of these job opportunities? Perhaps if this issue were a bill in its own right, Parliament could have worked to find a solution that included and indeed helped all Canadians.

• (2120)

I believe in this case the Senate had great insight in doing a pre-study on this bill so that senators had the opportunity to uphold one of their most important roles, to act as sober second thought. I would like to thank the many senators and committee staff of six different Senate committees that had dozens of meetings on the subject matter of this massive bill.

Honourable senators, I realize that this bill has all but been passed by Parliament. Members of the other place have already gone back to their ridings for the summer. The Standing Senate Committee on National Finance has completed its study of the bill and has reported it back to the Senate without amendment. It is my sincere hope, though, that in the future, the government heed the call of the young Reform M.P. from Calgary West and divide bills into several components where there is a lack of relevancy of the issues so that parliamentarians can express their views and the views of their constituents when the matters are so diverse. In his own words, it is in the interest of democracy.

**Hon. Jim Munson:** Honourable senators, I stand tonight to urge you to prevent the passage of Bill C-38's proposed amendments to the Old Age Security Act, specifically that the age of eligibility for the Old Age Security pension and the Guaranteed Income Supplement be gradually increased from 65 to 67.

Increasing the age when Canadians can begin receiving these important payments under our federal public pension system will have a hugely negative impact on financially vulnerable segments of our population. It is as though the government has drafted these changes without any thought for low-income Canadians, Canadians who, for an array of known reasons, will struggle financially and will likely never work for employers offering defined pension plans or have sufficient resources to save for their retirement.

The proposed amendments to OAS will take effect in 2023, but they already have many people seriously worried about their retirement years. Our government is telling Canadians who are today 53 years old and under that they will have to work longer before they can retire. Our government has essentially issued a decree that alters fundamentally how Canada will take care of its future senior citizens, and, in reaching its decision, our government has failed to consult with Canadians and heed the evidence and wisdom of those who understand the Old Age Security program best.

The Prime Minister says that the changes set out in Bill C-38 for Old Age Security are necessary to ensure its financial or fiscal sustainability. Canada's Parliamentary Budget Officer, Kevin Page, has openly countered this argument, pointing to the federal government's projected revenues and economic growth as evidence that the program is both sustainable and affordable. The government's tactic has been to cite findings from the country's Chief Actuary that the number of OAS pension recipients will nearly double over the next 20 years because of increased life expectancy and the aging of the baby boom generation; but has the chief actuary also said that the associated increase in future demands on OAS will mean a crisis? Not at all. Canada has been preparing for the impending growth of the senior population for a long time, with systems in place to ensure our public pension system is equipped to ride out the wave.

Of course, it would make sense to consider adjusting elements of our public pension programs. I am all for gathering facts and hearing different opinions from the specialists. That is hard to do with time allocation by, the way. I believe too in discussion and debate, which is also hard to do with time allocation. Without these processes, where is democracy?

Rather than creating panic with warnings of an aging population crisis, the government would be better serving all of us by building awareness of facts and generating exchanges of ideas on these facts. The Chief Actuary's reports to Parliament are a good place to start. They clearly show, for instance, that OAS disproportionately supports women, especially widows. The pension income from the program is hugely important for poorer seniors. If we take a few minutes to reflect on people we know or know about, it is distressingly easy to identify some of those people who will be hit especially hard by the increased age of eligibility for OAS.

Let us not fool ourselves. The impact of these changes is about a lot more than just two more years of work. For many people who earn low income, OAS actually enables them to enjoy a better quality of life. I am thinking of a woman living right here in Ottawa. She has struggled with mental illness for many years and has been unable to work steadily. Now she is receiving OAS payments. This has made a big difference in her life, and it is astounding. Before, she could not even afford to take the bus. She had to walk everywhere or depend on others to help run errands and get to appointments. Two more years of that would have been harder than any of us can imagine. The maximum amount she receives from OAS would be about \$540 a month. It is not a fortune to most of us, but to her, it means a significantly better quality of life. I think here tonight about what will happen to those who are 53 and under who will find themselves in similar conditions. We have to think of those folks. I shudder at the thought of what may happen to them.

In remote towns across Canada, there are thousands of men and women working in factories and plants. Assuming these employers are open to keeping on or hiring older workers — and that is a big question — these workers will have to work two extra years. This is especially significant for those closest to 53 years old. Their jobs could be stressful or physically demanding. This is also hard on the younger people in these same communities who cannot find work. Older workers will be taking jobs from the next generation of workers in a weak economy.

As many of you already know, I do what I can, along with others here in the Senate, in helping children with disabilities. Naturally, I am also thinking of them and what the future holds for them. They will not always be children and will not always have their parents around to care for them. Unless they are fortunate enough to have supports with a registered disability savings plan or a handsome trust, odds are that they will be poor. How can our government possibly propose reducing two years of OAS and GIS support to these people, to people who generally, for all kinds of reasons, will be low-income earners. Think about it.

The knowledge and instincts I have with regard to the government's proposed changes to OAS are widely shared within the Canadian population. If there is a moment when

opposition to the plan to the government should be expressed, it is now, here in this chamber. The best chance I have of making a difference is to urge all of you honourable senators to act in respect to the people who will be hit the hardest by what Bill C-38 sets out for the future for OAS. The changes are unnecessary, and they will certainly harm future generations of Canadians.

**Hon. Lillian Eva Dyck:** I would like to thank all honourable senators on both sides for their speeches tonight. In fact, it has forced me to alter the speech I was going to give because I heard some interesting ideas.

As many people said before, Bill C-38 is an omnibus bill. Many of my colleagues have talked about what that means with respect to the democratic process. I just want to make a few more comments, as I mentioned previously, with respect to what that means specifically to senators here sitting in the Senate chamber.

Senator Tkachuk said we on this side have no sense of humour. To that I say to Senator Tkachuk that I hope that he and his colleagues opposite realize that his government's actions in introducing such an omnibus bill and refusing to allow sufficient time for debate or to accept any changes to it are making a laughing matter of their mantra of Senate reform.

Senator Plett picked up on my question earlier when I was talking about Senate reform and a Triple-E Senate. Do you remember what those are, on that side? Elected, effective and equitable. We have talked so much about elected. Tonight, we are talking about effective. How can the Senate be effective in doing what it does when we are dealing with a bill like this?

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

• (2130)

**Senator Dyck:** I thank honourable senators. In fact, to the members opposite, this is an omnibus bill, not an omnipotent bill.

Back to my prepared speech. Honourable senators, this budget bill, Bill C-38, is a continuation by the Harper government of the systematic and discriminatory underfunding of services to Aboriginals, which will continue to marginalize Aboriginal people. Today, I will limit my remarks to three areas of great concern to Aboriginals: imprisonment, education and the duty to consult and accommodate. Senator Lang referred to it, and I believe Senator Patterson also mentioned it in his speech.

Honourable senators, we all know that the overrepresentation of Aboriginals in the Canadian prison system is overwhelming. According to Statistics Canada, in 2011, Aboriginal persons accounted for 27 per cent of adults in provincial and territorial sentence custody, despite representing only 4 per cent of the Canadian adult population.

In the province of Saskatchewan, Aboriginal people account for 81 per cent of the incarcerated population, while accounting for only about 15 per cent of the total provincial population. Something is out of whack.

This is unacceptable, but it will get worse because we passed Bill C-10, the Conservative government's omnibus crime bill. Bill C-10 added mandatory minimums into sections of the

Controlled Drugs and Substances Act and removed judicial discretion when it came to sentencing. In particular, it removed the judge's ability to allow the application of Aboriginal justice principles and policies to Aboriginal offenders and to pay particular attention to the circumstances of Aboriginal offenders. This plan will certainly worsen the already staggering Aboriginal incarceration rate.

In Budget 2012, we see the government failing to renew full funding to the Aboriginal Justice Strategy. Instead of cutting the funding for the Aboriginal Justice Strategy, the government should be fully funding these programs to address the unacceptable overrepresentation of Aboriginals in Canadian prisons. The Supreme Court of Canada just recently ruled that Aboriginal background and circumstances must be taken into consideration when sentencing. Not doing so would "violate the fundamental principle of sentencing." The Aboriginal Justice Strategy is a critical component in upholding the Supreme Court ruling.

Honourable senators, it is well known that most of those in our prisons, whether they are Aboriginal or non-Native people, have poor literacy and limited education, yet Budget 2012 does not attempt to fix the unfair funding to on-reserve schools, nor does it provide more funding for Aboriginal post-secondary students.

In the other place, the Conservatives supported a motion to realize Shannen's Dream. Shannen was a student from Attawapiskat who died, unfortunately. It was her dream to close the education gap estimated at between \$3,000 and \$4,000 per student and to bring funding for First Nations education to the same level as funding for students in provincial schools.

Budget 2012 breaks these commitments.

While the Assembly of First Nations has estimated it will take an additional \$500 million per year to bring First Nations education up to an equivalent standard with non-reserve provincial schools, the budget commits only \$275 million over three years, with no funding to increase teachers' compensation, which is essential to recruiting and retaining educators.

Honourable senators, we know how important it is to have good teachers so that students get a good education.

As Chelsea Edwards, a high school student from Attawapiskat First Nation and advocate for Shannen's Dream said, the Conservatives' decision to maintain this discriminatory underfunding of First Nations education simply "is not right."

Honourable senators, to make matters worse, there is no new funding for the Post-Secondary Student Support Program for First Nations and Inuit, despite a backlog of over 10,000 students. This makes no sense. With a shortage of skilled labour and an increased drive to bring immigrants to fill the labour gap, this government gets a failing grade for not providing more funding in the budget to support Aboriginal students to get the appropriate post-secondary qualifications so they can fill the jobs.

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

**Senator Dyck:** For those reasons, I will not support this budget. I will now continue on the duty to consult.

Contrary to what has been implied twice tonight by honourable senators opposite, that the Harper government fulfills its duty to consult and accommodate Aboriginals, witness after witness after witness from across Canada has stated at the Aboriginal Peoples Committee that they are not consulted by the Harper government. Every one of them has told us that they have not been consulted, so how can the government say they are? They are not, absolutely not.

I will now read into the record the press release from the Federation of Saskatchewan Indian Nations on Bill C-38, which was released in May 2012. It states the case very well. In Saskatchewan, at least 15 per cent of our population is Aboriginal; two thirds of that is First Nations. Their press release is entitled "No Honour in Harper Government" and it states:

The federal government is violating its constitutional and legal obligations to consult and accommodate First Nations Treaty and Aboriginal rights. The First Nations of the Federation of Saskatchewan Indian Nations (FSIN) are extremely concerned over the content of Bill C-38 and how it was developed.

Bill C-38 will impose a series of new regulations and policies that will alter opportunities for First Nations to examine and be engaged in the approval processes for major resource development projects. As one of its components, Bill C-38 will gut the environmental protection provisions of the current Canadian Environmental Assessment Act.

There could not be much stronger language than that. That is the reality. The press release continues:

"This bill is an unconscionable attempt to purposefully minimize the federal government's obligations to consult and accommodate First Nations treaty and Aboriginal rights. It openly contradicts what the Supreme Court of Canada has already declared on this matter", stated FSIN Vice-Chief Bobby Cameron. "The court has clearly articulated the rules for consultation and accommodation. This bill will change what those rules are. Stephen Harper and his conservative party government have shown that the Federal Crown has no honour and no respect for the application of the Supreme Court of Canada's decisions when it comes to the First Nations people of Canada."

"First Nations must be consulted about the design of environmental and regulatory review processes, and must also be consulted in strategic planning. First Nations have serious concerns about the future of our environment and the impacts that decisions this government will have on our future. The Harper government has failed miserably to engage the First Nations in Saskatchewan in this regard", stated Vice-Chief Bobby Cameron.

The FSIN demands that Prime Minister Stephen Harper live by the comments he made in 1994 while he was in opposition when he disputed the "kitchen sink approach" of the Liberal government's Omnibus Budget Bill.

You have heard about the kitchen sink approach before.

“How can members represent their constituents on these various areas when they are forced to vote in a block on such legislation and on such concerns? How do we express our views and the views of our constituents when the matters are so diverse? Dividing the bill into several components would allow members to represent views of their constituents on each of the different components in the bill.”

That was from 1994. The press release continues:

The FSIN strongly recommends that the Stephen Harper government consult with First Nations on dividing Bill C-38 into several components, particularly those provisions dealing with environmental protection. This would provide sufficient time to ensure that the First Nations fully understand potential impacts on their rights; are able to respond in a meaningful way; are provided with an opportunity to be accommodated where required, by meaningfully addressing concerns raised; and are provided with formal participation in decision-making.

This will ensure that First Nations have the opportunity to address concerns about projects that can seriously harm the environment — an issue that all Canadians should be concerned with.

The Federation of Saskatchewan Indian Nations represents 74 First Nations in Saskatchewan. The Federation is committed to honouring the spirit and intent of Treaty, as well as the promotion, protection and implementation of the Treaty promises that were made more than a century ago.

• (2140)

I agree completely with what the FSIN has stated in its press release.

Honourable senators, because the Harper government continues to marginalize the Aboriginal people of Canada in this budget, I will vote against it.

**Senator Mercer:** Honourable senators, there is a dangerous trend emerging in the legislative agenda of the Harper reform government. It started to happen soon after they first came here, and it is getting worse every year. Although it is nothing new, it seems to be getting progressively and dangerously worse. It is the only thing progressive about this government.

What I am talking about, honourable senators, is the fact that bills come to us at the last minute with the expectation that we will somehow be able to do our job properly but, most important, quickly, so that Parliament may recess for the summer.

As we all know, it takes time and considerable effort to properly and carefully study a bill on behalf of Canadians. I repeat: It takes time. These things cannot and should not be rushed.

In the past, we have done a good job to work within our time constraints. We have taken on the role as a chamber of sober second thought and have done so successfully, but, lately, more unnecessary urgency is creating a situation where bills are not getting the due diligence they deserve.

Honourable senators, instead of having separate bills for every distinct section of legislation in Bill C-38, it was all jammed into one huge omnibus bill. What was so urgent that it became necessary to pass everything in one bill? What indeed?

Instead of breaking down the bill to study it and to vote on it properly, we are rushing it through blindly. Please do not say, “Well, we pre-studied the bill,” because, while we may have, how much did we get done? Not nearly enough.

I am getting emails every day from groups like the Canada Without Poverty Advocacy Network, a group that advocates for poverty prevention and elimination, that wonders why this is happening.

These groups are all wondering why there are provisions in this bill that change EI and may force more people to visit food banks. These groups are wondering why their government is dismantling environmental stewardship in this country. They are also wondering why employees here on Parliament Hill may not have job security any more. They are wondering why the government is dismantling rescue teams that were so desperately needed and used this week in northern Ontario.

They have every right to be concerned. Having said all of this, honourable senators, our job requires us to do the best with what we have. We have a job to do, and we are doing it with diligence.

Unfortunately, with a piece of legislation this size, with the very little time that we are given to consider it, neither we nor Canadians have enough time to grasp the potential dangers that Bill C-38 may present us with in the future.

This bill and all future bills deserve time and careful consideration. Canadians expect it, and we should expect it of ourselves.

Bill C-38 has not received the time it deserved. It has not received enough of the sober second thought that we owe it. There was no reason to hurry this bill through Parliament. Canadians do not deserve this. They deserve better.

There should never be any further omnibus legislation of this type and, if there was a way of banning it, I would. Legislation like this should never be rushed unnecessarily ever again.

Honourable senators, I will be supporting the amendments and voting against this budget, but I ask our colleagues opposite to think about those people — the people we represent — who will be negatively affected if this budget passes. Honourable senators should think about them as they stand in their place today and tomorrow.

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

**Some Hon. Senators:** Question.

**The Hon. the Speaker:** Honourable senators, the question is on the motion in amendment. Those in favour of the motion will please say “yea.”

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** Those opposed to 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:** According to the rules, it is a 15-minute bell. The vote will take place at ten o’clock.

• (2200)

Motion in amendment negated on the following division:

#### YEAS THE HONOURABLE SENATORS

Campbell	Jaffer
Chaput	Mahovlich
Cordy	Mercer
Cowan	Merchant
Dallaire	Mitchell
Dawson	Moore
De Bané	Munson
Downe	Ringuette
Dyck	Robichaud
Eggleton	Smith ( <i>Cobourg</i> )
Fraser	Tardif
Furey	Watt
Hervieux-Payette	Zimmer—27
Hubley	

#### NAYS THE HONOURABLE SENATORS

Andreychuk	Martin
Angus	Meredith
Ataullahjan	Mockler
Boisvenu	Nancy Ruth
Brown	Nolin
Buth	Ogilvie
Carignan	Oliver
Comeau	Patterson
Dagenais	Plett
Di Nino	Poirier
Doyle	Raine

Duffy  
Eaton  
Finley  
Fortin-Duplessis  
Frum  
Gerstein  
Greene  
Housakos  
Johnson  
Lang  
LeBreton  
MacDonald  
Maltais  
Manning  
Marshall

Rivard  
Runciman  
Segal  
Seidman  
Seth  
Smith (*Saurel*)  
St. Germain  
Stewart Olsen  
Tkachuk  
Unger  
Verner  
Wallace  
Wallin  
White—51

#### ABSTENTIONS THE HONOURABLE SENATORS

Nil

**The Hon. the Speaker:** Honourable senators, the question now before the house is the motion by the Honourable Senator Buth, seconded by the Honourable Senator Doyle, for third reading of Bill C-38.

Are honourable senators ready for the question?

**Hon. Senators:** Question.

**The Hon. the Speaker:** All those in favour of the motion will please say “yea.”

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** 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:** Pursuant to the rules, the recorded vote will occur tomorrow at 5:30 p.m.

[*Translation*]

#### ADJOURNMENT

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, since we have had a long day and since we are a chamber of sober second thought and, at this hour, it would be difficult to be even a chamber of sober first thought, I propose that we carry over the items remaining on the Orders of the Day to tomorrow and that we adjourn for tonight.

(The Senate adjourned until tomorrow at 9 a.m.)

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